
**XTV NETWORKS LIMITED (TO BE RENAMED NEW ZEALAND
COASTAL SEAFOODS LIMITED)**

ACN 124 251 396

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10am WST
DATE: 13 June 2019
PLACE: Suite 5, Chelsea Professional Centre
145 Stirling Highway
Nedlands WA 6009

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 5pm WST on 11 June 2019.

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BUSINESS OF THE MEETING

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – PROPOSED ACQUISITION OF NEW ZEALAND COASTAL SEAFOODS LIMITED

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities resulting from completion of the Proposed Acquisition of New Zealand Coastal Seafoods Limited, as described in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – SUBDIVISION OF CAPITAL

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

“That, subject to and conditional upon the passing of all Essential Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be subdivided on the basis that every one (1) Share be split into three (3) Shares, and otherwise on the terms and conditions set out in the Explanatory Statement.

3. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO THE VENDORS

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 166,694,937 Consideration Shares (on a post-Subdivision basis) to the Vendors (or their respective nominees) as consideration for the Proposed Acquisition on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by the Vendors and any person who will obtain a material benefit as a result of the Proposed Acquisition or the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities in the Company or NZCS, if the Resolution is passed, or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF FYERS SHARES TO RICHARD FYERS

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 8,409,747 Fyers Shares (on a post-Subdivision basis) to Richard Fyers (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by Richard Fyers and any person who will obtain a material benefit as a result of the Proposed Acquisition or the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities in the Company or NZCS, if the Resolution is passed, or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF BVG SHARES TO BVG TRADE AND INVESTMENT LIMITED

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,500,000 BVG Shares (on a post-Subdivision basis) to BVG Trade and Investment Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by BVG Trade and Investment Limited and any person who will obtain a material benefit as a result of the Proposed Acquisition or the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities in the Company or NZCS, if the Resolution is passed, or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PUBLIC OFFER

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 400,000,000 Shares (on a post-Subdivision basis) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by the Vendors and any person who will obtain a material benefit as a result of the Proposed Acquisition or the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities in the Company or NZCS, if the Resolution is passed, or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the

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

7. RESOLUTION 7 – ISSUE OF PUBLIC OFFER SHARES TO WINTON WILLESEE

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Shares (on a post-Subdivision basis) to Winton Willesee (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Winton Willesee (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF PUBLIC OFFER SHARES TO ERLYN DALE

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Shares (on a post-Subdivision basis) to Erlyn Dale (a Director) (or her nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Erlyn Dale (and her nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – ISSUE OF PUBLIC OFFER SHARES TO HARRY HILL

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

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Shares (on a post-Subdivision basis) to Harry Hill (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Harry Hill (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF PUBLIC OFFER SHARES TO CATALDO MICCIO

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Shares (on a post-Subdivision basis) to Cataldo Miccio (a Proposed Director) (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Cataldo Miccio (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – ISSUE OF PUBLIC OFFER SHARES TO JOURDAN THOMPSON

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Shares (on a post-Subdivision basis) to Jourdan Thompson (a Proposed Director) (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Jourdan Thompson (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – ISSUE OF PUBLIC OFFER SHARES TO BERGEN GLOBAL OPPORTUNITY FUND, LP

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 16,000,000 Shares (on a post-Subdivision basis) to Bergen Global Opportunity Fund, LP (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Bergen Global Opportunity Fund, LP (and its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for

a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – ISSUE OF LEAD MANAGER OPTIONS

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 60,000,000 Lead Manager Options (on a post-Subdivision basis) to the Lead Manager of the Public Offer on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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, or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 14 – ELECTION OF DIRECTOR – CATALDO MICCIO

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of clause 8.1 of the Constitution and for all other purposes, Cataldo Miccio, who being eligible and having given his consent to act, be elected as a director of the Company with effect on and from Settlement of the Proposed Acquisition.”

15. RESOLUTION 15 – ELECTION OF DIRECTOR – JOURDAN THOMPSON

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of clause 8.1 of the Constitution and for all other purposes, Jourdan Thompson, who being eligible and having given his consent to act, be elected as a director of the Company with effect on and from Settlement of the Proposed Acquisition.”

16. RESOLUTION 16 – CHANGE OF COMPANY NAME

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to “New Zealand Coastal Seafoods Limited”. ”

17. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION

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

“That, subject to and conditional upon the passing of all Essential Resolutions, 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.”

18. RESOLUTION 18 – ADOPTION OF INCENTIVE OPTION PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Option Plan and for the issue of securities under that Option Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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
- (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.

19. RESOLUTION 19 – AMENDMENT OF 2023 OPTIONS ON ISSUE

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Company to increase the exercise price of the 2023 Options issued to White Oak Ridge Capital, LLC and Bergen Global Opportunity Fund, LP on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of White Oak Ridge Capital, LLC or Bergen Global Opportunity Fund, LP or any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in

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

20. RESOLUTION 20 – AMENDMENT OF 2023 OPTIONS ON ISSUE

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 6.23.4 and for all other purposes, approval is given for the Company to increase the exercise price of the 2023 Options issued to Ms Merle Smith and Mrs Katherine Smith on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Merle Smith or Katherine Smith or any of their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 8 MAY 2019

By order of the Board


Winton Willesee
Director

Voting in person

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

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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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 changes to the Corporations Act made in 2011 mean 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 08 9389 3170.

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 THE PROPOSED ACQUISITION OF NEW ZEALAND COASTAL SEAFOODS LIMITED

1.1 General Background

As announced on 23 April 2019, the Company has executed a share sale deed (**Agreement**) pursuant to which the Company has agreed to acquire 100% of the issued share capital of New Zealand Coastal Seafoods Limited (**NZCS**), a company incorporated in New Zealand, from the shareholders of NZCS (the **Vendors**) (**Proposed Acquisition**).

The Proposed Acquisition is conditional on (amongst other things) the Company obtaining all necessary regulatory and Shareholder approvals to effect the Proposed Acquisition and satisfying all other requirements of ASX for the reinstatement to official quotation of the Shares to trading on the ASX. The key terms of the Agreement are set out in Schedule 1.

ASX has absolute discretion in deciding whether or not to re-admit the Company to the Official List of the ASX and to quote its Securities. The Proposed Acquisition will therefore not proceed if ASX exercises that discretion in the negative. Having to re-comply with ASX's admission and quotation requirements also enlivens ASX's ability to impose such conditions on admission and/or quotation as it considers appropriate. ASX may exercise this discretion notwithstanding that the Company is currently admitted to the Official List and even where the Company otherwise meets, or is expected to meet, the specific conditions set out in the ASX Listing Rules for listing and quotation. Security Holders and investors should take account of these uncertainties in deciding whether or not to buy or sell Securities.

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

The Company confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses and prospects of NZCS for the Board to be satisfied that the Proposed Acquisition is in the interests of the Company and its Security Holders.

Pursuant to the Agreement, the Company has agreed to issue 166,694,937 Shares (on a post-Subdivision basis) to the Vendors (**Consideration Shares**) and cause to be transferred 42,840,001 2023 Options (on a post-Subdivision basis) to the Vendors (**Consideration Options**) at Settlement in consideration for the Proposed Acquisition. Based on the issue price of Shares (\$0.025) (post-Subdivision) offered under the Public Offer and the estimated value of the Consideration Options (\$0.013 each), the value of the total consideration payable to the Vendors is estimated at \$4,724,293. Please refer to Schedule 1 for details of how the Consideration Options (which are already on issue) will be transferred to the Vendors.

As Shareholders will be aware (and as announced on 6 February 2019), the Company recently effectuated a Deed of Company Arrangement (**DOCA**) and completed a recapitalisation to exit external administration. This involved the Company consolidating its share capital on a 1 for 200 basis, raising \$500,000 by

the issue of 25,000,000 Shares at \$0.02 each (and 8,333,334 free attaching 2023 Options), and issuing 20,000,000 Shares and 25,000,000 2023 Options to the Company's majority Shareholder, White Oak Ridge Capital LLC in a debt for equity swap (all on a pre-Subdivision basis). Further details of the DOCA and recapitalisation are set out in the Company's notice of meeting announced on 7 December 2018.

1.2 Summary of Resolutions

This Notice of Meeting sets out the Resolutions necessary to complete the Proposed Acquisition and associated transactions. Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and Settlement will not occur.

A summary of the Essential Resolutions is as follows:

- (a) **(Resolution 1)** the Proposed Acquisition, if successfully completed, will represent a significant change in the nature or scale of the Company's operations to a seafood processing and distribution company, for which Shareholder approval is required under ASX Listing Rule 11.1.2;
- (b) **(Resolution 2)** in conjunction with the Proposed Acquisition, the Company intends to undertake a subdivision of its Securities on issue on the basis that every one (1) Security be split into three (3) Securities;
- (c) **(Resolution 3)** the issue of the Consideration Shares to the Vendors in consideration for the Proposed Acquisition;
- (d) **(Resolutions 4 and 5)** the issue of the Fyers Shares to Richard Fyers (or his nominee) in consideration for services provided by Mr Fyers to the Company in relation to the introduction and facilitation of the Proposed Acquisition and the issue of the BVG Shares to BVG (or its nominee) in consideration for services provided by BVG to NZCS in relation to the introduction and facilitation of an investment in NZCS;
- (e) **(Resolutions 6 to 12)** the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules as a result of the Proposed Acquisition and, to achieve this, intends to undertake a capital raising by issuing up to 400,000,000 Shares (on a post-Subdivision basis) at an issue price of \$0.025 per Share, to raise up to \$10,000,000 **(Public Offer)**. It is likely that the Directors, along with the Proposed Directors and the Company's majority Shareholder, will want to continue to support the Company and participate in the Public Offer. The Company intends to include a priority offer in the Prospectus which will give existing Shareholders priority to subscribe for Shares under the Public Offer (refer to Section 7 for further details regarding the proposed priority offer);
- (f) **(Resolution 13)** the issue of up to 60,000,000 Options (on a post-Subdivision basis) **(Lead Manager Options)** to the Lead Manager of the Public Offer in consideration for services provided by the Lead Manager to the Company in relation to the Public Offer;
- (g) **(Resolutions 14 and 15)** the appointment of Cataldo Miccio and Jourdan Thompson as Directors on and from Settlement;
- (h) **(Resolution 16)** the change of the Company's name to "New Zealand Coastal Seafoods Limited"; and

- (i) **(Resolutions 19 and 20)** the proposed amendment of the terms of the 2023 Options on issue which were issued pursuant to the approval of Shareholders obtained at the Company's general meeting held on 9 January 2019, to increase the exercise price of such Options.

In addition to the Essential Resolutions set out above, the Company is seeking Shareholder approval for the following non-essential Resolutions:

- (a) **(Resolution 17)** the adoption of a new constitution to replace the current Constitution; and
- (b) **(Resolution 18)** the adoption of an incentive option plan for employees of the Company.

1.3 New Zealand Coastal Seafoods Limited

NZCS is a New Zealand-based processor, distributor and exporter of seafood products.

Established in 2016, NZCS' business to date has been focused on processing and selling primarily dried seafood, including ling maw, sea cucumber, soft and hard elephant fish (back bone), and dogfish (back bone) for supply, directly and through distributors, to restaurants, supermarkets, fishmongers, other retailers and consumers, in New Zealand, Australia and Asia.

NZCS operates a seafood processing and drying facility in Christchurch, New Zealand, with a current annual production capacity of 60 tonnes of wet raw seafood products input. The yield of dried product is necessarily lesser than the tonnes of wet raw seafood products input. In the year ended 31 March 2018, NZCS produced approximately 2.5 tonnes of dried product and in the period ended 31 December 2018 produced approximately 3.3 tonnes of dried product.

NZCS sources products exclusively from New Zealand primary suppliers of raw seafood, which can sustainably support ample supply.

NZCS products are generally targeted at Asian populations who value the associated perceived health and beauty benefits, such as the collagen-rich ling maw. One of NZCS' competitive advantages is that New Zealand seafood is appreciated for its higher quality and provenance, relative to seafood sourced or processed elsewhere. Consequently, its products attract a price premium relative to the Asian-processed products that are common in its target markets.

NZCS' audited accounts reported revenues of NZ\$1,538,961 for the nine months ending 31 December 2018, building on NZ\$90,606 and NZ\$1,180,914 for the full financial years ending 31 March 2017 and 31 March 2018 respectively. Further, NZCS' audited accounts reported earnings before interest, tax, depreciation and amortization (**EBITDA**) of NZ\$164,673 for the nine months ending 31 December 2018, building on NZ\$12,644 and NZ\$56,284 for the full financial years ending 31 March 2017 and 31 March 2018 respectively. Shareholders should note that a copy of the audited financial statements of NZCS for the full financial years ending 31 March 2017 and 31 March 2018 and the nine months ending 31 December 2018 were released by the Company on its ASX announcements platform on the same date as this Notice.

In support of a growth strategy, NZCS intends to move to a larger state-of-the-art manufacturing premises and acquire new equipment to enable it to expand production capacity if its existing product lines to meet demand and to facilitate its planned increases in its number of product lines. Further, NZCS plans to direct

new capital to expand the range of products it processes and sells to potentially include products such as longer shelf-life canned products, ling maw soups, mussel soups, dried powdered hard bones for the nutrient market, and hard bone soups. NZCS currently expects its new manufacturing premises to be operational within 6 months of completion of the Proposed Acquisition and the first of its planned soup products (if this ultimately goes ahead) to be available for sale within 12 months.

NZCS also intends to increase its direct selling and distribution capabilities and resources in its current markets, as well as to open up new markets for its products, such as Malaysia, Singapore, Indonesia and Vietnam.

1.4 Key Investment Highlights

The Existing Directors and Proposed Directors are of the view that the key highlights of an investment in NZCS include:

- (a) NZCS has a proven ability to process and sell high-margin seafood products to discerning customers, and through its distributors. Its products are sourced from New Zealand suppliers of premium seafood;
- (b) the key executives and senior management of NZCS have an intimate knowledge of the industry in which NZCS is operating in;
- (c) the global fishing and aquaculture markets are very large and growing. Refer to Section 1.5 below for further details;
- (d) the global fishing and aquaculture markets are growing in size, particularly as a result of demand in China and Southeast Asia, whose growing middle class is fuelling demand for value-added imported seafood products from countries such as New Zealand with a "clean & green" reputation;
- (e) NZCS is focused on the Asian export markets using distributors to export into these markets;
- (f) NZCS has an established track record of revenue and EBITDA. Refer Section 1.3 above below for details;
- (g) NZCS has numerous opportunities for substantial growth across its existing and new product lines, including:
 - (i) satisfying unmet demand from NZCS' existing customers, which has arisen due to capital constraints that limit NZCS' access to raw materials;
 - (ii) significantly increasing the production capacity of NZCS' existing product lines by securing a larger state-of-the-art manufacturing premises;
 - (iii) developing new product lines, including higher margin ready-to-eat products, such as soups; and
 - (iv) expanding NZCS' sales force and distribution channels; and
- (h) NZCS is well positioned to expand the geographic distribution of its products, particularly with a focus on aggressively accelerating exports to Southeast Asia through distributors.

1.5 Industry Overview

The global seafood market is worth over US\$160 billion (approximately \$226 billion at today's USD:AUD exchange rate)¹. Over 180 million tonnes of seafood are consumed annually according to the Organisation for Economic Co-operation and Development², much of which is consumed in the Chinese and Southeast Asian regions where demand is growing rapidly³ (as an example China's seafood imports grew 44% in 2018, increasing US\$3.6 billion to US\$11.9 billion)⁴.

Driven by a growing middle class with rising disposable incomes, China is now the largest consumer of seafood products in the world⁵. Chinese consumption of seafood accounts for over a third of global seafood consumption, projected to total over US\$67.3 billion in 2019⁶. China's increasing wealth has also led to increasing of consumption of higher quality imported seafood, which grew 44% in 2018, increasing US\$3.6 billion to US\$11.9 billion⁷. Similar trends have been observed in other Asian countries.

New Zealand seafood enjoys an excellent reputation in China and Southeast Asian regions due to consistent supply, competitive pricing and high quality of its seafood products. Further, exports from New Zealand to China and other Asian countries benefit from excellent proximity and market access, as well as free trade deals. As a result, seafood exports from New Zealand continue to be in high demand in Asia. In 2017, New Zealand exported 128,000 tonnes of seafood worth NZ\$1.8 billion⁸.

NZCS is currently focused on selling dried seafood products. Dried seafood represents a significant export market in the global seafood trade. In 2015, US\$3.7 billion of dried seafood was exported globally⁹. Dried seafood is believed by consumers in its target markets to have many health benefits, and is commonly used in festive banquets, daily cooking, and traditional tonics. Highly desired dried seafood includes the intensely-flavoured dried abalone, sea cucumber, shark cartilage and the company current key product being fish maw, which are delicacies in many countries.

NZCS believes the markets for its current and future seafood product lines, including dried fish and mussels are sizeable¹⁰.

1.6 Regulatory environment

NZCS operates under a food control plan that is registered with the local regulatory authorities in New Zealand. Under its food control plan, NZCS is required to adhere to procedures for ensuring food safety. In addition, NZCS is

¹ <https://www.globenewswire.com/news-release/2018/04/02/1458344/0/en/Global-Market-for-Aquaculture-to-Reach-226-2-Billion-by-2022.html>

² https://stats.oecd.org/Index.aspx?DataSetCode=HIGH_AGLINK_2018

³ <https://www.undercurrentnews.com/2018/01/12/rabobank-china-to-drive-more-than-half-of-global-seafood-consumption-growth-over-next-decade/>

⁴ <https://www.undercurrentnews.com/2019/01/23/chinas-seafood-imports-balloon-by-over-40-to-12bn-in-2018/>

⁵ <https://www.australiachinarelations.org/sites/default/files/20180628%20Australia-China%20Relations%20Institute%20report%20-%20The%20Chinese%20seafood%20market%20-%20opportunities%20and%20challenges%20for%20Australian%20exporters%20-%20Michael%20Fabinyi.pdf>

⁶ https://stats.oecd.org/Index.aspx?DataSetCode=HIGH_AGLINK_2018

⁷ <https://www.undercurrentnews.com/2019/01/23/chinas-seafood-imports-balloon-by-over-40-to-12bn-in-2018/>

⁸ <https://www.seafoodnewzealand.org.nz/industry/key-facts/>

⁹ <https://www.mbie.govt.nz/assets/94e74ef27a/investors-guide-to-the-new-zealand-seafood-industry-2017.pdf>

¹⁰ <https://www.mbie.govt.nz/assets/94e74ef27a/investors-guide-to-the-new-zealand-seafood-industry-2017.pdf> - Page 18

registered as an Animal Products Exporter with the New Zealand Ministry of Primary Industries, which enables NZCS to export its products to certain jurisdictions.

1.7 NZCS' Current Activities

NZCS operates a seafood processing and drying facility in Christchurch, New Zealand, designed to provide efficient, low-cost production runs. This facility has an annual production capacity of 60 tonnes of raw seafood products. NZCS' products are sourced only from New Zealand primary suppliers of raw seafood.

NZCS is currently selling the following products in New Zealand and through distributors for export to international markets:

- (a) dried ling maw;
- (b) dried sea cucumber; and
- (c) dried elephant fish (back bone) cartilage.

NZCS' current primary product is dried ling maw. The ling fish is a large, white fleshed fish found in deep cool waters and the maw is the swim bladder of the fish. Ling is one of New Zealand's top ten export earners for seafood¹¹ and is certified by the Marine Stewardship Council (considered to be the global gold standard for sustainability)¹². Ling maw is rich in proteins and nutrients and is cholesterol-free and has one of the highest collagen contents of all foods. Accordingly, ling maw is valued for its health and nutritional benefits.

NZCS also supplies dried New Zealand sea cucumber and dried soft and hard bones (including elephant fish (back bone) cartilage and dogfish (back bone) rig bones). In addition, based on feedback from its customers and distributors, NZCS is presently investigating the merits of developing two new product lines:

- (a) ling maw soups; and
- (b) mussel soups.

As part of its growth strategy, NZCS intends to introduce new products that are complementary to its existing product lines.

1.8 Business Model

NZCS' business model is centred on delivering high-quality seafood products sourced from New Zealand, with an efficient processing model that allows it to meet consumer appetite.

NZCS has a low capital intensity business model, as it does not catch or grow seafood. Instead, NZCS is focused on processing and distributing seafood. NZCS' products are sourced from New Zealand's leading premium suppliers of raw seafood, including WestFleet, Talleys and United Fisheries.

New Zealand has a large fishing and aquaculture industry relative to its small population, and a significant portion of the seafood products produced in New Zealand are exported to markets across the world. NZCS believes this will allow it to continue to source its seafood from New Zealand companies at competitive

¹¹ <https://www.seafood.co.nz/show-species/ling/>

¹² <https://www.seafoodnewzealand.org.nz/species/single/?fish=25>

rates, particularly given NZCS' proximity to its key suppliers. To further mitigate any risk of continuity of supply, NZCS maintains diversity of sourcing across the major New Zealand raw seafood suppliers and is negotiating with two suppliers to further mitigate any supply risk.

The Existing Directors and Proposed Directors consider that NZCS has a competitive advantage, particularly in Asia, in that New Zealand is renowned globally for its "clean and green" reputation. New Zealand sourced or processed seafood is regarded for its higher quality and provenance, relative to seafood sourced or processed in other markets. As a result, NZCS' products attract a price premium over Asian sourced or processed products that are sold in markets targeted by NZCS.

NZCS' business model is aimed at generating revenues from the sales of high-margin, value-added products under its own proprietary brand. NZCS' products are sold through a variety of channels, including direct to consumers, restaurants, supermarkets and other retailers in New Zealand, as well as to wholesale distributors who distribute the products to restaurants, supermarkets, fishmongers and various other customers in New Zealand and for export to Asia and Australia. NZCS' products are generally marketed to consumers who sell to Asian markets who value the health and beauty benefits associated with NZCS' products. In the full financial year ending 31 March 2018, NZCS' management believes approximately 80% of NZCS' revenues were attributable to products ultimately sold into China, Hong Kong and Southeast Asia.

1.9 Growth Strategy

NZCS is implementing a number of growth strategies to increase its sales in Asia and in particular China. These strategies are centred on the following four pillars:

- significantly increasing NZCS' production capacity of its existing product lines;
- developing new product lines, including higher margin ready-to-eat products, such as soups;
- expanding NZCS' sales force and distribution channels; and
- increasing NZCS' geographic presence in international markets with additional distributors in these markets.

(a) Production Capacity Expansion

NZCS operates a seafood processing and drying facility in Christchurch, New Zealand. The facility was designed to provide efficient, low-cost production runs and has an annual production capacity of 60 tons of raw seafood products.

In connection with executing its growth strategy, NZCS intends to move to a larger state-of-the-art manufacturing premises and acquire new equipment and extend its manufacturing capability to a range of additional product types. This will allow NZCS to significantly expand its production capacity both in its existing product lines, to meet demand, and new product lines which the company is presently developing.

(b) Product Range Expansion

NZCS' growth plans are also focused on expanding the range of products it processes and sells. Its product range growth strategy is largely tied to the successful implementation of its strategy to increase production capacity. NZCS intends to expand its product range into high-margin, value-added products such as:

- ling maw soups; and
- mussel soups.

As NZCS expands into new products, if demand from its customers exceeds its production capacity, NZCS intends to use third-party contract-packers to initially meet this demand before determining whether to produce in-house.

Further, NZCS intends to explore the expansion of its product range into additional high-margin, value-added verticals which may include:

- dried powdered hard bones for the nutrient market; and
- hard bone soups.

(c) **Marketing and Distribution Channels**

NZCS has existing domestic and international distribution channels, including into Asia and Australia. NZCS' revenues have been earned to date without substantial investment in marketing or distribution.

As part of NZCS' growth plans, the company intends to significantly expand its marketing activities and distribution channels for its current and anticipated products to both increase sales within its existing markets and to develop into new markets. The Company intends to hire additional marketing staff and engage additional distributors in existing countries as well as distributors in new countries in these expansion efforts.

(d) **Geographic Range**

New Zealand is one of the world's premier seafood exporters. NZCS intends to leverage New Zealand's global brand awareness by significantly increasing the marketing and promotion of NZCS' products to enhance product awareness and strengthen sales penetration in both new and existing markets.

NZCS intends to continue to sell directly (as well as indirectly through distributors as it currently does) to its current markets in New Zealand, Asia and Australia, as well as opening up new markets in countries such as Malaysia, Singapore, Indonesia and Vietnam.

1.10 NZCS Management Team

Details of the management team of NZCS are set out below:

Peter Win - Chief Executive Officer

Mr Win has a long history in the seafood industry and is a co-founder and CEO at NZCS.

Prior to co-founding NZCS, Mr Win founded and managed Elanz Ltd, a niche food and beverage business that exported locally produced premium products to international markets. Prior to that, Mr Win participated in several large energy projects.

Cataldo Miccio - Non-Executive Director

Prior to co-founding NZCS, Mr Miccio was the mayor of Nelson, New Zealand, and prior to that served as a Councillor of Nelson, beginning in 2007. In 2010, Mr Miccio successfully sold Bissi Ltd, an apparel company he started in 1998 and which, at its peak, grew to over \$15 million in annual sales. Mr Miccio currently serves as the Managing Director of KELA Charms and is a Vice President of the Italian Chamber of Commerce in New Zealand. Mr Miccio holds a Bachelor of Commerce in Business Administration, Management and Operations.

Alex Li – Head of Operations

Mr Li is currently head of operations at NZCS and has been heavily involved in the New Zealand and Chinese dried seafood industry since 1989. Based on that experience, he has an expert knowledge of the production of dried fish maw and other dried seafood. Mr Li has also been involved with the development of natural dietary supplements and natural health and beauty products since 2009.

1.11 Key Dependencies of the Business Model

The key factors that NZCS will depend on to meet its objectives are:

- (a) the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-admission to quotation of the Company's Securities;
- (b) the successful completion of the Public Offer;
- (c) the successful completion of the Proposed Acquisition;
- (d) the continued supply of raw seafood products from New Zealand based suppliers at competitive rates;
- (e) continued demand for NZCS' processed products, particularly in Asia;
- (f) the market price of NZCS's processed products remaining high enough to ensure NZCS operates profitably;
- (g) successful development of NZCS's proposed new product lines and successful increase of NZCS's production capacity; and
- (h) the continued ability to process and supply NZCS' products within its target markets.

1.12 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has advised that it will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Company completing the Proposed Acquisition as the Proposed Acquisition will constitute a change in the nature and scale of the Company's activities.

As such, the Company will be required to re-comply with the conditions to listing on ASX set out in Chapters 1 and 2 of the ASX Listing Rules before Settlement of

the Proposed Acquisition can occur and before the Company's Shares can be re-instated to trading on ASX following Settlement.

1.13 ASX waivers and confirmations obtained

ASX Listing Rule 2.1 (Condition 2) provides that it is a condition of quotation of the main class of securities of an entity seeking admission to ASX that the issue price of such securities must be at least \$0.20 in cash. In addition, ASX Listing Rule 1.1 (Condition 12) provides that for an entity to be admitted to the Official List, the exercise price for any options on issue must be at least \$0.20 in cash.

On 8 May 2019, the ASX granted the Company:

- (a) a waiver from the requirements of ASX Listing Rule 2.1 (Condition 2) to permit it to issue Shares under the Public Offer at an issue price of not less than \$0.02 per Share; and
- (b) a waiver from ASX Listing Rule 1.1 Condition 12 for the Company to issue new Options with an exercise price of below \$0.20 in connection with the Proposed Acquisition.

This waiver is subject to Shareholders approving the Company undertaking the Public Offer at not less than \$0.02 and issuing the Lead Manager Options to the Lead Manager (with an exercise price of not less than \$0.02).

1.14 Use of Funds

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to support its strategy following Settlement of the Proposed Acquisition, the Company intends, subject to Shareholder approval, to undertake the Public Offer pursuant to a full form prospectus to raise up to \$10,000,000 at an issue price of \$0.025 per Share (post-Subdivision) with a minimum subscription of \$5,000,000. Shareholder approval for the Public Offer is the subject of Resolution 6. Please refer to Section 7 for further details in respect of the Public Offer.

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds Available	Minimum Subscription		Maximum Subscription	
	Amount (A\$)	%	Amount (A\$)	%
Pre-Public Offer cash balance ¹	\$242,500	5%	\$242,500	2%
Public Offer funds	\$5,000,000	95%	\$10,000,000	98%
Following the Public Offer	\$5,242,500	100%	\$10,242,500	100%
Application of Funds	Amount (A\$)	%	Amount (A\$)	%
Expansion of sales staff and marketing expenditure	\$1,000,000	19%	\$2,000,000	20%
Expansion of manufacturing facilities and other capital expenditures	\$1,600,000	31%	\$3,000,000	29%
Expansion of operational staff, inputs and product development	\$975,000	19%	\$2,175,000	21%
Listing, compliance, corporate administration and Head Office costs	\$535,000	10%	\$535,000	5%
Expenses of the Public Offer	\$539,500	10%	\$844,500	8%
Working capital	\$593,000	11%	\$1,688,000	16%
Total	\$5,242,500	100%	\$10,242,500	100%

Notes:

1. As at 31 March 2019.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from development, sales and marketing and commercialisation activities. The results obtained from development, sales and marketing and commercialisation activities may lead to increased or decreased levels of expenditure on certain activities reflecting a change in emphasis.

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events (including marketing and commercialisation success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Existing Directors and the Proposed Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 1.25.

1.15 No Underwriter

The Public Offer is not underwritten. However, the Company has appointed Patersons Securities Limited (AFSL No. 239 052) to lead manage the Public Offer.

1.16 Pro forma capital structure

As explained in Section 7, the Company will undertake the Public Offer at an issue price of \$0.025 per Share (post-Subdivision). The table below sets out the proposed capital structure of the Company following completion of the Proposed Acquisition and the issues of all Securities contemplated by this Notice.

	Public Offer Minimum Subscription	Public Offer Minimum Subscription	Public Offer Maximum Subscription	Public Offer Maximum Subscription
	Shares	Options	Shares	Options
Currently on issue	51,063,106	33,473,334 ¹	51,063,106	33,473,334 ¹
On issue upon completion of Subdivision	153,189,318	100,420,002 ²	153,189,318	100,420,002 ²
Public Offer	200,000,000	nil	400,000,000	nil
Issue of Consideration Shares	166,694,937	nil	166,694,937	nil
Issue of Fyers Shares	8,409,747	nil	8,409,747	nil
Issue of BVG Shares	1,500,000	nil	1,500,000	nil
Issue of Lead Manager Options	nil	30,000,000	nil	60,000,000
TOTAL	529,794,002	130,420,002	729,794,002	160,420,002

Notes:

1. Consisting of 140,000 unquoted Options exercisable at \$2.60 each on or before 31 May 2019 and 33,333,334 unquoted Options exercisable at \$0.06 each on or before 5 February 2023.
2. Consisting of 420,000 unquoted Options exercisable at approximately \$0.867 each on or before 31 May 2019 and 100,000,002 unquoted Options exercisable at \$0.02 each on or before 5 February 2023. Note that Shareholder approval is being sought subject to Resolutions 19 and 20 to amend the terms of the second class of these Options to increase their exercise price to \$0.06 (post-Subdivision).

1.17 Pro forma balance sheet

The pro-forma balance sheet of the Company following Settlement of the Proposed Acquisition and the issue of all Securities contemplated by this Notice is set out in Schedule 2. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.18 Indicative timetable

An indicative timetable for Settlement of the Proposed Acquisition and the associated transactions set out in this Notice is set out below:

Event	Date*
Notice of Meeting for the Proposed Acquisition sent to Shareholders	10 May 2019
Lodgement of Prospectus with the ASIC	22 May 2019
Opening date of Public Offer	23 May 2019
Closing date of Public Offer	7 June 2019
Shareholder meeting to approve the Proposed Acquisition and associated transactions	13 June 2019
Issue of Securities under the Public Offer and Settlement of the Proposed Acquisition	13 June 2019
Despatch of holding statements	13 June 2019
Re-quotation on the ASX	15 June 2019

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

1.19 Board Intentions upon Settlement

In the event that Settlement occurs, the Company proposes to:

- (a) continue the development of the NZCS business;
- (b) expand the manufacturing facilities of NZCS and increase the amount of products it processes and sells;
- (c) expand the product lines of NZCS;
- (d) undertake business development;
- (e) undertake sales and marketing throughout New Zealand, Australia, Asia and elsewhere internationally; and
- (f) pursue business development opportunities for the NZCS business in New Zealand, Australia, Asia and elsewhere internationally.

The Company currently intends to allocate the funds raised from the Public Offer and existing cash reserves as set out in Section 1.14 above.

1.20 Composition of the Board of Directors

It is intended that the Board will comprise the following upon Settlement:

- (a) Mr Winton Willesee;
- (b) Ms Erlyn Dale;
- (c) Mr Cataldo Miccio; and
- (d) Mr Jourdan Thompson.

It is currently intended that Mr Harry Hill will resign as a Director and Mr Peter Win, a Vendor, will be appointed as Chief Executive Officer of the Company both occurring upon Settlement. Additional Board and management resources may

be considered as appropriate as the NZCS business develops.

1.21 Existing Director and Proposed Director Interests in Securities

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director. Details of the Existing Directors' and Proposed Directors' relevant interest in the Securities of the Company (on a post-Subdivision basis) and their voting power upon completion of the Proposed Acquisition and associated transactions (assuming Minimum Subscription) and assuming each Existing Director and Proposed Director is issued the maximum number of Shares under its respective proposed participation in the Public Offer are set out in the table below:

Director	Shares	Voting Power (Undiluted)	Options	Voting Power (Diluted)
Winton Willesee ¹	62,907,500	11.87%	30,870,000	14.20%
Erlyn Dale	2,000,000	0.38%	8,000,000	1.51%
Harry Hill	2,000,000	0.38%	Nil	0.30%
Cataldo Miccio ² (a Vendor)	54,786,730	10.34%	13,566,000	10.35%
Jourdan Thompson	2,000,000	0.38%	8,000,000	1.51%

Notes

1. Mr Willesee's relevant interest in Securities includes the 2,000,000 Shares Mr Willesee may subscribe for under the Public Offer in addition to 907,500 Shares held by Azalea Family Holdings Pty Ltd as trustee for the Britt and Winton Willesee Family Trust (a trust which Mr Willesee is a beneficiary of) and further in addition to 60,000,000 Shares and 30,870,000 2023 Options held by White Oak Ridge Capital, LLC. Mr Willesee is the manager of White Oak Ridge Capital, LLC with the power to control the votes and disposal of shares held by such entity.
2. Mr Miccio's relevant interest in Securities includes the 2,000,000 Shares Mr Miccio may subscribe for under the Public Offer in addition to 52,786,730 Consideration Shares to be issued to Mr Miccio and 13,566,000 2023 Options to be transferred to Mr Miccio pursuant to the Proposed Acquisition.

The above table and notes have been prepared on a post-Subdivision basis and assumes that the Existing Directors and Proposed Directors fully subscribe under the Public Offer for the amounts to be approved by Shareholders pursuant to Resolutions 7 to 11 and that the transfer of the Consideration Options has been completed.

1.22 Largest Shareholder Post Proposed Acquisition

Following completion of the Proposed Acquisition, Public Offer and related transactions, the relevant interest of the largest individual Shareholder (Bergen Global Opportunity Fund, LP (and its associates)) is set out below:

Shareholder	Shares (post-Subdivision)	Percentage of Shares held on completion of the Proposed Acquisition, Public Offer and related transactions	
		(Minimum Subscription)	(Maximum Subscription)
Bergen Global	143,500,000 ¹	27.09%	19.66%

Notes

1. Bergen Global Opportunity Fund, LP's relevant interest in Shares includes the 16,000,000 Shares it may subscribe for under the Public Offer in addition to 67,500,000 Shares it currently is the registered holder of (on a post-Subdivision basis) and 60,000,000 Shares held by its associate White Oak Ridge Capital, LLC (on a post-Subdivision basis).

No other person is expected by the Company to acquire control of, or voting power of 20% or more in, the Company as a result of the Proposed Acquisition.

1.23 Advantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Proposed Acquisition represents an attractive investment opportunity for the Company to change its business focus to that of a seafood processing, distribution and export company;
- (b) the Company will obtain ownership of NZCS and its business operations;
- (c) the Agreement requires the Company to complete a capital raising to raise not less than \$5,000,000 and up to \$10,000,000, which will provide the Company with sufficient funds to implement its proposed commercialisation, marketing and expansion strategy;
- (d) the potential increase in market capitalisation of the Company following Settlement and the associated Public Offer may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present;
- (e) the appointment to the Board of the Proposed Directors provides the Company with experience within the fishing and seafood processing and distribution and fast moving consumer goods industries; and
- (f) it is intended that Settlement of the Proposed Acquisition will result in the re-quotation of the Company's Shares on ASX. ASX has absolute discretion in deciding whether or not to re-admit the Company to the Official List of the ASX and to quote its securities. The Proposed Acquisition will therefore not proceed if ASX exercises that discretion in the negative.

1.24 Disadvantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Company will be changing the nature and scale of its activities to primarily be a seafood processing, distribution and export company, which may not be consistent with the objectives of all Shareholders;
- (b) the Proposed Acquisition will result in the issue of Shares under the Public Offer, the issue of the Consideration Shares under the Proposed

Acquisition and the issue of the Fyers Shares and BVG Shares, all of which will have a dilutive effect on the holdings of Shareholders;

- (c) the Proposed Acquisition will result in the issue of the Lead Manager Options. The Lead Manager Options, if and when converted to Shares, will also have a dilutive effect on the holdings of Shareholders;
- (d) in connection with the Proposed Acquisition, the Company has been required to engage a number of advisers, lawyers and experts to facilitate and report on the Proposed Acquisition, which has led to the Company incurring additional costs;
- (e) future outlays of funds from the Company may be required for the operations of NZCS; and
- (f) there are additional risk factors associated with the change in nature of the Company's activities resulting from the Proposed Acquisition. Some of the key risks are summarised in Section 1.25 below.

1.25 Risk factors

The key risks of the Proposed Acquisition and following completion of the Proposed Acquisition are:

(a) Risks relating to Change in Nature and Scale of Activities

(i) Completion risk

Pursuant to the Agreement, the Company has agreed to acquire 100% of the issued capital of NZCS, Settlement of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for Settlement of the Proposed Acquisition cannot be fulfilled and, in turn, that Settlement of the Proposed Acquisition does not occur. If the Proposed Acquisition is not completed, the Company will incur costs relating to services provided by advisers and other costs without any material benefit being achieved.

(ii) Re-quotations of Shares on ASX

The Proposed Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of ASX. There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares and Options should the Company be suspended until such time as it does re-comply with the ASX Listing Rules. Shareholders will be aware that the Company's Securities have been suspended from quotation since 16 June 2016. If the Proposed Acquisition does not proceed, the Company's Securities will remain suspended from quotation and the Company will be removed from the Official List on 17 June 2019 given that, at that time, the Company's Securities will have been suspended from quotation for a continuous period of 3 years.

(iii) **Dilution risk**

The Company currently has 51,063,106 Shares on issue (on a pre-Subdivision basis) which will equate to 153,189,318 Shares on a post-Subdivision basis. Pursuant to the Proposed Acquisition, the Company proposes to complete the Subdivision and issue:

- (A) the Consideration Shares to the Vendors;
- (B) the Fyers Shares to Fyers;
- (C) the BVG Shares to BVG; and
- (D) the Public Offer Shares to participants in the Public Offer.

The dilutionary effect to existing Shareholders on completion of the Subdivision and the issue of the Consideration Shares, the Fyers Shares, the BVG Shares and the maximum number of Public Offer Shares which can be issued (and provided no Options are exercised) is set out in the table below:

Percentage of Shares held by different categories of Shareholder on Settlement and completion of the Public Offer		
Category of Shareholder	Minimum Subscription	Maximum Subscription
Existing Shareholders as at the date of this Notice	28.91%	20.99%
Participants in the Public Offer	37.75%	54.81%
Vendors ¹	31.46%	22.84%
Richard Fyers	1.59%	1.15%
BVG	0.28%	0.21%
Total	100.00%	100.00%
Total number of Shares on issue	529,794,002	729,794,002

Notes

1. Comprising Cataldo Miccio, Peter Win, Alexander Trading Corporation Ltd and Chang Yan Chen. Refer to Section 4.4(d) for details of the Consideration Shares to be issued to each Vendor.

If subsequently the Consideration Options and the Lead Manager Options are exercised (and assuming no other Shares are issued or other Options are exercised), the dilutionary impact to existing Shareholders is set out in the table below:

Percentage of Shares held by different categories of Shareholder on Settlement and completion of the Public Offer		
Category of Shareholder	Minimum Subscription	Maximum Subscription
Existing Shareholders as at the	25.42%	18.40%

date of this Notice		
Participants in the Public Offer	33.19%	48.04%
Vendors ¹	34.77%	25.17%
Richard Fyers	1.40%	1.01%
BVG	0.25%	0.18%
Lead Manager	4.98%	7.21%
Total	100.00%	100.00%
Total number of Shares on issue	602,634,003	832,634,003

Notes

1. Comprising Cataldo Miccio, Peter Win, Alexander Trading Corporation Ltd and Chang Yan Chen. Refer to Section 4.4(d) for details of the Consideration Shares to be issued to each Vendor.

(iv) **Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Shares (and cause the transfer of the Consideration Options) to the Vendors in consideration for the Proposed Acquisition of 100% of the issued capital of NZCS and also issue the Fyers Shares to Fyers and the BVG Shares to BVG. The Company understands that ASX will treat these Securities as restricted Securities in accordance with Chapter 9 of the ASX Listing Rules.

Based on the post-Proposed Acquisition capital structure set out at Section 1.16 (assuming that no further Shares are issued or Options exercised), the Consideration Shares issued to the Vendors in addition to the Shares issued to Richard Fyers and BVG will equate to approximately 33.33% of the issued Share capital on an undiluted basis at Minimum Subscription or 24.20% at Maximum Subscription and will equate to approximately 33.24% of the issued Share capital on a fully diluted basis at Minimum Subscription or 24.65% at Maximum Subscription. This could be considered an increased liquidity risk as a large portion of the Company's issued capital may not be able to be traded freely for a period of time.

(b) **Risks in respect of NZCS and its current operations**

(i) **Limited trading history**

NZCS has limited operating history and limited historical financial performance. Please refer to the financial information in Section 1.3 for further details.

NZCS is subject to risks common to early-stage companies, including increasing market share and brand recognition, successfully developing its anticipated products, expanding its manufacturing facilities and competing with larger competitors. Shareholders should consider NZCS' business and prospects in light of the risks that it may face as an early-stage business. If

the Company is not successful in addressing such risks, the Company's business prospects and financial performance may be materially and adversely affected.

(ii) **Growth risk**

Achievement of the Company's objectives will depend on the Board's and the executive team's ability to successfully implement its growth strategy. This strategy involves the expansion of NZCS' production capacity through the development of a new manufacturing plant and the expansion of its product lines. However, there is a risk that management of the Company will not be able to successfully implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company and NZCS will affect the Company's financial performance.

(iii) **Product pricing risk**

NZCS' revenue is largely dependent upon the sale of dried seafood processed from its operations, namely ling maw. The Company's earnings are therefore closely related to the sale price of ling maw and other dried seafood products.

The financial performance of the Company will be influenced by the price it can obtain for its products, in both domestic and export markets. Neither the Company nor NZCS have any long-term or guaranteed customer supply contracts. The Company negotiates prices based on measures of supply and demand and the exchange rate position and it is therefore not able to guarantee the prices and terms of future transactions.

There is a risk that a reduction in the prices received by the Company for its products could have material adverse impact on the operational results and financial performance of the Company.

(iv) **Consumer demand risk**

NZCS sells premium seafood products. Therefore, there is a risk that changing economic conditions could cause consumers to reduce their consumption of NZCS' products or substitute with cheaper seafood products.

Demand for the company's main product, ling maw, is in part due to the perceived health benefits of the product in the minds of consumers, and in particular consumers in Asian and Asian expatriate markets. Should events occur to diminish that perception demand for ling maw may fall.

Changes in consumer dietary preference and/or consumer preference generally for the products that NZCS offers could change in a way that lowers demand for NZCS' products and results in reduced prices. This could impact the Company's operating and financial performance.

(v) **Key Customers risk**

NZCS' revenues are dependent on the sales of its products to a limited number of customers. The loss of any significant customer, whether through its bankruptcy, failure to secure/maintain the relationship, breach of any terms of trade or other factors may impact the Company's, sales volumes and/or operating and financial performance.

(vi) **Reputation risk**

There is a risk that some incident or development beyond the control of NZCS could occur which would have the effect of reducing consumer confidence or preferences for NZCS' products. Such incidents could include:

- (A) a widespread loss of consumer confidence in seafood, in particular ling maw;
- (B) health concerns associated with the consumption of seafood products, in particular ling maw;
- (C) a widespread loss of consumer confidence in the food safety procedures in the seafood industry as a whole; and
- (D) concerns about fishing practices and the sustainability of wild caught fisheries.

The consequences of such an incident or development could be very significant for NZCS, with impacts potentially including reduced revenues, loss of consumer trust in the NZCS' products, and reduced prominence of the NZCS' brands or reputation in customers' minds, all of which may adversely impact the Company's operating or financial performance.

(vii) **Food safety, handling and product quality risks**

As with all seafood processors, NZCS is exposed to the risk of product contamination and product recalls. There is also a risk that NZCS' products could cause a serious food poisoning incident as a result of an operational lapse in food safety or sanitation procedures or malicious tampering.

The occurrence of a serious food poisoning incident could have significant consequences for NZCS and may involve:

- (A) a loss of consumer trust in the products that may result in reduced revenues; or
- (B) payment to affected consumers of some form of compensation and to the relevant food authorities of some form of penalty or fine.

Seafood in particular is a highly perishable product unless handled with strict processing, packing, storage and transport protocols. Further, NZCS' operations involve the drying and handling of seafood. Food safety concerns associated with

drying seafood, including improper storage or drying techniques, could result in product contamination. A reduction in product quality has a material impact on the recoverable price for the end product and may adversely impact the Company's operating or financial performance.

The implementation of strict quality control policies, high levels of training for all staff handling and processing product, and regular detailed sampling programs will be required to monitor food safety or sanitation procedures and product quality and mitigate this risk.

There is a risk that the food control practices adopted by NZCS will be insufficient.

(viii) **Seasonal and environmental risks**

As a seafood processor, NZCS is exposed to volatility in supply caused by seasonal weather and environmental conditions which impact the availability and cost of raw seafood from its suppliers. There is a risk that factors such as changes in temperatures, storms, floods, together with natural variations and external shocks in marine ecosystems and other environmental conditions could disrupt supply of New Zealand seafood.

(ix) **Supply risk**

There is a risk that the supply of raw seafood could be materially disrupted due to the occurrence of a natural disaster or disease that affects NZCS' suppliers ability to catch and/or deliver seafood to NZCS as well as changes in the regulation of the suppliers' fishing operations and/or reductions in the allowable catch limits applying to those suppliers.

(x) **Regulatory risks and approvals generally**

NZCS is required to adhere to numerous legislative and regulatory requirements when undertaking its business. Regulatory areas which are of particular significance to NZCS include food safety, export, import, occupational health and safety and tariff and taxation laws. These and other regulations give rise to significant requirements and compliance costs for the Company.

There is a risk that non-compliance with such regulations, changes in the current regulations (or their interpretation) or the introduction of new laws or regulations could lead to fines being imposed, the revocation of approvals, permits or authorisations, increased compliance costs and/or damage to the Company's reputation. Further, changes to NZCS' business, such as the processing and handling of raw fish, could result in additional regulations being applicable to the Company. These events could have a material adverse effect on the Company's costs, business model or competitive environment and in turn its operating or financial performance.

Various approvals, permits or other government authorisations will be required for the Company's operations on and from completion of the Proposed Acquisition and for future operations. Obtaining approvals, permits or authorisations can be a time consuming and costly process and there is a risk that the Company may not obtain such approvals, permits or authorisations on acceptable terms, in a timely manner or at all. Failure or delay in obtaining any required approvals, permits or authorisations may have a material adverse effect on the Company's business model or competitive environment and in turn its operating or financial performance.

(xi) **Export and import risks**

To export seafood products out of the country, authorisations and permits are required from the New Zealand Ministry of Primary Industries (**MPI**). As of the date of this Notice of Meeting, NZCS is registered with the MPI as an Animal Products Exporter; however, NZCS has not yet registered a Risk Management Programme with the MPI. Therefore, NZCS is currently limited in the numbers of countries it can directly export its products to.

NZCS intends to register a Risk Management Programme with MPI, and may be required to obtain additional authorisations and permits in New Zealand and other jurisdictions to which it exports its products. However, there is a risk that the relevant regulatory authorities will not issue these authorisations and permits to NZCS on acceptable terms, in a timely manner or at all. Failure or delay in obtaining any required authorisations and permits for export and import could have a materially negative impact on the Company's ability to achieve its growth plans.

Further, in order to remain export eligible, fish and fish products must only be transported between, and prepared and stored at, registered export establishments. In order to export any of its seafood products, NZCS will be reliant on the third parties that provide transport and storage services to it being appropriately registered. As these services are not currently the subject of written supply agreements it is not possible to guarantee consistency and availability of such arrangements.

Failure or difficulties in obtaining transport or storage services with registered export establishments will materially restrict the Company's ability to export its product and this could have a materially negative impact on the Company's business operations and financial performance.

(xii) **Occupational health and safety risks**

The seafood manufacturing industry is a high-risk industry. Given the nature of the industry that NZCS operates in, its employees and contractors are at risk of workplace accidents and incidents.

In the event that an employee of NZCS is injured, during the course of their employment, NZCS may be liable for penalties or damages under the relevant occupation health and safety

regulations. This risk has the potential to adversely impact the operating and financial performance of the Company.

(xiii) **Commercial risk**

There is a risk that NZCS will not be able to successfully commercialise or sell anticipated products or be unable to sell products at significantly higher volumes, as contemplated by its growths strategy.

NZCS' ability to generate revenue depends on the sales it makes across its product offerings. As with any business, there is a risk that the marketing strategies may not be effective in generating the increased production scale that NZCS is targeting.

The price point of some of NZCS existing or proposed products may be too high compared to other solutions or may not be able to stay at the same or at competitive prices for an extended period. This may lead to difficulties in market acceptance and, if reductions in price are necessary to achieve market penetration, the potential for profit margins will be reduced.

(xiv) **Contract risk**

The operations of NZCS will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, NZCS is unable to completely avoid the risk of:

- (A) financial failure or default by a participant in any joint venture to which NZCS may become a party;
- (B) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by NZCS in its activities; or
- (C) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by NZCS or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the operations and performance of NZCS and the Company, and it is not possible for NZCS or the Company to predict or protect itself completely against all such contract risks.

(xv) **Foreign exchange risk**

NZCS has customers that operate in a variety of jurisdictions, including New Zealand, Australia and throughout Asia, and as such, expects to generate revenue and incur costs and expenses in more than one currency. Accordingly, the depreciation of the Australian dollar and/or the appreciation of the foreign currency relative to the Australian dollar could result

in a translation loss on consolidation which is taken directly to shareholder equity.

Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue. The Company will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the other foreign currencies and will have to monitor this risk.

(xvi) **Competition risk**

The industry in which NZCS will be involved is subject to domestic and global competition, and NZCS is subject to competition from direct competitors operating domestically and in its export markets. Small manufacturers and exporters such as NZCS face increasing competition from larger participants, due to the ongoing consolidation of seafood sector. Neither the Company nor NZCS will have any influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

(xvii) **Insurance risk**

NZCS faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company believes it will have reasonably adequate coverage for third-party liability insurance, product liability insurance and business interruption insurance. However, the Company's insurance coverage may not be adequate. If the Company or NZCS incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.

(xviii) **Credit risks**

NZCS will be exposed to credit risks relating to delayed or non-payments from its customers. A failure by NZCS to adequately assess and manage credit risk may result in credit losses potentially resulting in a material adverse effect on the Company's business, operating and financial performance, including decreased operating cash flows.

(xix) **Reliance on Key Management Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of NZCS depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of NZCS or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

If such contracts with key management personnel are terminated or breached, or if the relevant personnel were no longer to continue in their current roles, NZCS would need to

engage alternative staff, and the operations and business of NZCS may be adversely affected.

(xx) **Litigation**

The Company and NZCS may in the ordinary course of business become involved in litigation and disputes, for example with its contractors or clients over a broad range of matters including its products. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, clients or other stakeholders. Any such outcomes may have an adverse impact on the Company's business, market reputation and financial condition and financial performance. Neither the Company nor NZCS are currently engaged in any litigation.

(xxi) **Future Funding Needs**

The funds raised under the Public Offer are considered sufficient to meet the immediate growth objectives of NZCS. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its growth strategies. For example, funding may be needed to develop new and existing products or acquire complementary businesses and assets. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(c) **General risks relating to the Company**

(i) **Additional requirements for capital**

The funds to be raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company and implementation of the strategy detailed in Section 1.9. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

Following completion of the Public Offer, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of their activities and the proposed commercialisation, marketing and expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the

financing may not be favourable to the Company and might involve substantial dilution to Shareholders.

(ii) **Reliance on key personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. While each of these executives is party to an employment contract, the executives may resign at any time and under the terms of the employment contracts each executive is permitted to terminate the contract in certain circumstances.

(iii) **Economic and financial market risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(iv) **Force majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(v) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products and/or businesses that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and/or businesses, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and user and supplier relationships.

(vi) **Risk of high volume of Share sales**

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the Vendors and others that receive Shares as a result of the Proposed Acquisition or the Public Offer may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Shares.

There can be no assurance that there will be, or continue to be, an active market for Securities or that the price of Securities will increase. As a result, Shareholders may, upon selling their Shares, receive a market price for their Shares that is less than the price of Shares offered pursuant to the Public Offer.

(vii) **Trading price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

1.26 Plans for the Company if completion of the Proposed Acquisition does not occur

If the Essential Resolutions are not passed and the Agreement is not completed, the Company will continue to focus on exploring new opportunities and look for potential business acquisitions to take the Company forward.

However, Shareholders will be aware that the Company's Securities have been suspended from quotation since 16 June 2016. If the Proposed Acquisition does not proceed, the Company's Securities will remain suspended from quotation and the Company will be removed from the Official List on 17 June 2019 given that, at that time, the Company's Securities will have been suspended from quotation for a continuous period of 3 years.

1.27 Directors' interests in the Proposed Acquisition

None of the Existing Directors have any interest in the Proposed Acquisition, other than as disclosed in this Notice.

1.28 Vendors' interests in the Company

None of the Vendors or their associates are related parties of the Company (other than by virtue of becoming Directors upon Settlement) and they have no existing interest in the Securities of the Company.

1.29 Forward looking statements

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Statement. These risks include but are not limited to, the risks detailed in Section 1.25. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – PROPOSED ACQUISITION OF NEW ZEALAND COASTAL SEAFOODS LIMITED

2.1 General

Resolution 1 seeks approval from Shareholders for the Proposed Acquisition.

As set out above, the Proposed Acquisition will change the nature of the Company's activities to a seafood processing and distribution company.

A summary of the key terms of the Agreement is set out in Schedule 1 and a detailed description of NZCS and its business is outlined in Section 1.3 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Proposed Acquisition requires the Company, in accordance with ASX Listing Rule 11.1.2, to obtain Shareholder approval and comply with any requirements of ASX in relation to the Notice of Meeting.

2.3 Suspension until re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing of NZCS which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's Securities as restricted securities).

Shareholders will be aware that the Company's Securities have been suspended from quotation since 16 June 2016. If the Essential Resolutions are approved at the Meeting, it is expected that the Securities will remain suspended from quotation until the Company has acquired NZCS pursuant to the Agreement and re-complied with Chapters 1 and 2 of the ASX Listing Rules, including satisfaction of ASX's conditions precedent to reinstatement.

If the Essential Resolutions are not approved at the Meeting, the Proposed Acquisition will not proceed, the Company's Securities will remain suspended from quotation and the Company will be removed from the Official List on 17 June 2019 given that, at that time, the Company's Securities will have been suspended from quotation for a continuous period of 3 years.

2.4 ASX Guidance Note 12: Significant Changes to Activities

As required by ASX Guidance Note 12: *Significant Changes to Activities*, the following information is provided in relation to Resolution 1:

- (a) **Parties to and material terms of the transactions**
A summary of the key terms of the Proposed Acquisition is set out in Section 1.1 and the key terms of the Agreement are set out in Schedule 1.
- (b) **Financial effect of the transaction on the entity and on the interests of security holders**
Please refer to Schedule 2 for a summary of the effect of the Proposed Acquisition and related transactions on the financial position of the Company. Please refer to Section 1.16 for a summary of the effect of the Proposed Acquisition and related transactions on the capital structure of the Company.

(c) **Details of how the entity will be modifying its business model to accommodate the significant change in the scale of the entity's activities**

As set out in Section 2.1 above, the Company will change to a seafood processing and distribution company upon completion of the Proposed Acquisition. The Company will adopt the business model as described in Section 1.8.

(d) **Details of how the entity intends to pay for the Vendors**

As set out in Section 1.1, the Company will acquire 100% of the issued share capital of NZCS in consideration for:

- (i) the issue of 166,694,937 Shares (on a post-Subdivision basis) to the Vendors (i.e. the Consideration Shares); and
- (ii) the transfer of 42,840,001 2023 Options (on a post-Subdivision basis) to the Vendors (i.e. the Consideration Options).

Based on the issue price of Shares (\$0.025) (post-Subdivision) offered under the Public Offer and the estimated value of the Consideration Options (\$0.013 each), the value of the total consideration payable to the Vendors is estimated at \$4,724,293.

(e) **Changes proposed to the entity's board or senior management**

Please refer to Section 1.20 for details of the proposed board upon completion of the Proposed Acquisition.

(f) **Timetable for implementing the transaction**

Settlement of the Proposed Acquisition is anticipated to occur on or about 13 June 2019. Please refer to Section 1.18 for an indicative timetable for Settlement of the Proposed Acquisition and the associated transactions set out in this Notice.

(g) **Proposed Transactions require Shareholder approval**

ASX requires the Company to seek Shareholder approval to complete the Proposed Acquisition as it will constitute a change in the nature and scale of the Company's activities. As set out in Section 1.2, the Proposed Acquisition will not proceed if Shareholders do not vote in favour of all Essential Resolutions.

(h) **ASX takes no responsibility**

ASX takes no responsibility for this Notice of Meeting and Explanatory Statement.

3. RESOLUTION 2 – SUBDIVISION OF CAPITAL

3.1 Background and Legal Requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The ASX Listing Rules also require that the number of Options on issue be consolidated or divided in the same ratio as the ordinary share capital and that the exercise price of the Options be amended in inverse proportion to that ratio.

Resolution 2 seeks Shareholder approval for the issued capital of the Company to be split on a 1:3 basis (**Subdivision**). If Resolution 2 is approved, each existing Security will be divided into three (3) Securities to be effected immediately following the meeting, in accordance with the indicative timetable set out below.

If Resolution 2 is passed, the number of:

- (a) Shares on issue will be increased from 51,063,106 to 153,189,318 (subject to rounding); and
- (b) Options on issue will be increased from 33,473,334 to 100,420,002 (subject to rounding).

The purpose of the Subdivision is to implement a more appropriate capital structure for the Company going forward.

3.2 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security, as applicable.

3.3 Taxation Consequences

It is not considered that there will be any taxation implications for Security Holders arising from the Subdivision. However, Security Holders are advised to seek their own tax advice on the effect of the Subdivision and neither the Company, nor its Directors and officers or advisers, accept any responsibility for the individual taxation implications arising from the Subdivision.

3.4 New Holding statements

From the date two Business Days after the Subdivision is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Subdivision basis.

After the Subdivision becomes effective, the Company will dispatch a notice to Security Holders advising them of the number of Securities held by each Security Holder both before and after the Subdivision.

The Company will also arrange for new holding statements to be issued to Security Holders.

3.5 Effect on capital structure

If Resolution 2 is passed, the effect which the Subdivision will have on the Company's capital structure is set out in the table below.

Capital Structure	Current Capital Structure	Capital Structure – post-Subdivision
Fully Paid Ordinary Shares	51,063,106	153,189,318
Options	33,473,334 ¹	100,420,002 ²

Notes:

1. Consisting of 140,000 unquoted Options exercisable at \$2.60 each on or before 31 May 2019 and 33,333,334 unquoted Options exercisable at \$0.06 each on or before 5 February 2023.
2. The Option exercise prices will be reduced by a factor of 3 in accordance with the ASX Listing Rules. As such, the Options on issue post-Subdivision will consist of 420,000 unquoted Options exercisable at approximately \$0.867 each on or before 31 May 2019 and 100,000,002 unquoted Options exercisable at \$0.02 each on or before 5 February 2023. Please also refer to Resolutions 19 and 20 pursuant to which the Company is seeking Shareholder approval to increase the exercise price of the Options which expire on 5 February 2023 to \$0.06.

3.6 Indicative timetable

If Resolution 2 is passed, the Subdivision will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules) and subject to compliance with all regulatory requirements:

Action	Date
Company announces Subdivision and sends out Notice of Meeting.	10 May 2019
Company tells ASX that Shareholders have approved the Subdivision.	13 June 2019
Last day for pre-Subdivision trading.	14 June 2019
Post-Subdivision trading commences on a deferred settlement basis.	17 June 2019
Last day for Company to register transfers on a pre-Subdivision basis.	18 June 2019
First day for Company to send notice to Security Holders of change of holdings as a result of the Subdivision.	19 June 2019
Issue Date. Deferred settlement trading ends.	25 June 2019
Last day for the Company to register Securities on a post-Subdivision basis.	25 June 2019
Last day for the Company to send notice to Security Holders of change of holdings as a result of the Subdivision.	25 June 2019
Normal settlement trading (T+2) in the Securities recommences.	26 June 2019

4. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO THE VENDORS

4.1 General

Resolution 3 seeks Shareholder approval to issue the Consideration Shares (on a post-Subdivision basis) to the Vendors as consideration for the Proposed Acquisition.

The Company notes that Cataldo Miccio, one of the Proposed Directors, will be issued 52,786,730 Consideration Shares (on a post-Subdivision basis) by virtue of being one of the Vendors.

4.2 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 issue of the Consideration Shares constitutes giving a financial benefit and Cataldo Miccio, one of the Proposed Directors, is a related party of the Company by virtue of being a person who is likely to become a related party of the Company in the future (i.e. by virtue of being appointed as a Director).

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Shares because the Consideration Shares will be issued to Cataldo Miccio on the same terms as the Consideration Shares to be issued to unrelated Vendors and as such the giving of the financial benefit is on arm's length terms.

4.3 ASX Listing Rules 7.1 and 10.11

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 3 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

ASX Listing Rule 10.11 also 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 the issue of Consideration Shares to the Vendors involves the issue of Consideration Shares to a related party of the Company (being Cataldo Miccio), Shareholder approval pursuant to ASX Listing Rule 10.11 is required

unless an exception applies. It is the view of the Directors that the Exception 6 to ASX Listing Rule 10.11 applies in the current circumstances (i.e. that Mr Miccio is a related party by reason only of the Proposed Acquisition) and therefore Shareholder approval pursuant to ASX Listing Rule 10.11 is not required.

4.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the maximum number of Consideration Shares to be issued is 166,694,937 Shares (on a post-Subdivision basis);
- (b) the Consideration 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 ASX Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same day;
- (c) the Consideration Shares will be issued for nil cash consideration as the Consideration Shares are being issued in consideration for the Proposed Acquisition;
- (d) the Consideration Shares will be issued to the Vendors, who are not related parties of the Company (other than as a result of the Proposed Acquisition). The table below sets out the number of Consideration Shares to be issued to each Vendor (on a post-Subdivision basis);

Vendor	Percentage of Consideration Shares (%)	Consideration Shares to be issued
Cataldo Miccio (Co-founder of NZCS and Proposed Director of the Company – please refer to sections 1.10 and 10.2 for further details of Mr Miccio)	31.67%	52,786,730
Peter Win (Co-founder of NZCS and proposed Chief Executive Officer of the Company – please refer to section 1.10 for further details of Mr Win)	31.67%	52,786,730
Alexander Trading Corporation Ltd (Controlled by Alex Li, a co-founder of NZCS and current Head of Operations of NZCS – please refer to section 1.10 for further details of Mr Li)	31.67%	52,786,730
Chang Yan Chen (Silent and minority shareholder in NZCS)	5.00%	8,334,747
Total	100.00%	166,694,937

- (e) the Consideration 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 other than in relation to any escrow period imposed by ASX; and

- (f) no funds will be raised from the issue of the Consideration Shares as the Consideration Shares are to be issued in consideration for the Proposed Acquisition in accordance with the terms of the Agreement.

5. RESOLUTION 4 – ISSUE OF FYERS SHARES TO RICHARD FYERS

5.1 General

Resolution 4 seeks Shareholder approval for the issue of 8,409,747 Shares (on a post-Subdivision basis) to Richard Fyers in consideration for services provided by Mr Fyers to the Company in relation to the introduction and facilitation of the Proposed Acquisition (**Fyers Shares**).

Richard Fyers is party to a finder's fee agreement with the Company pursuant to which he agreed to introduce potential acquisition opportunities to the Company and assist in the negotiation of such acquisitions. In consideration for such services, the Company agreed to pay Mr Fyers a cash fee of NZ\$50,000 and issue him the Fyers Shares. Richard Fyers will have no ongoing role in respect of the Company after completion of the Proposed Acquisition.

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 4 will be to allow the Company to issue the Fyers Shares to Mr Fyers during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Fyers Shares:

- (a) the maximum number of Shares to be issued is 8,409,747 (on a post-Subdivision basis);
- (b) the Fyers 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Fyers Shares will be issued for nil cash consideration in consideration for introduction and facilitation services provided by Mr Fyers to the Company in relation to the Proposed Acquisition;
- (d) the Fyers Shares will be issued to Mr Fyers, who is not a related party of the Company;
- (e) the Fyers 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; and
- (f) no funds will be raised from the issue of the Fyers Shares as they are being issued in consideration for introduction and facilitation services provided by Mr Fyers to the Company in relation to the Proposed Acquisition.

6. RESOLUTION 5 – ISSUE OF BVG SHARES TO BVG TRADE AND INVESTMENT LIMITED

6.1 General

Resolution 5 seeks Shareholder approval for the issue of 1,500,000 Shares (on a post-Subdivision basis) to BVG Trade and Investment Limited in consideration for services provided by BVG to NZCS in relation to the introduction and facilitation of an investment in NZCS (i.e. the Proposed Acquisition) (**BVG Shares**).

BVG was party to a finder's fee agreement with NZCS pursuant to which BVG agreed to refer NZCS to its business partners to facilitate an investment in NZCS. In consideration for such services, NZCS agreed to pay a cash commission to BVG in respect of any agreement entered into between NZCS and a party introduced by BVG. BVG, NZCS and the Company have agreed that the Company will issue the BVG Shares to BVG in substitution of such cash commission. BVG will have no ongoing role in respect of the Company after completion of the Proposed Acquisition. A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 5 will be to allow the Company to issue the BVG Shares to BVG during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the BVG Shares:

- (a) the maximum number of Shares to be issued is 1,500,000 (on a post-Subdivision basis);
- (b) the BVG 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the BVG Shares will be issued for nil cash consideration in consideration for introduction and facilitation services provided by BVG to NZCS in relation to an investment in NZCS;
- (d) the BVG Shares will be issued to BVG, who is not a related party of the Company;
- (e) the BVG 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; and
- (f) no funds will be raised from the issue of the BVG Shares as the BVG Shares are being issued in consideration for introduction and facilitation services provided by BVG to the Company in relation to an investment in NZCS.

7. RESOLUTION 6 – PUBLIC OFFER

7.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 400,000,000 Shares (on a post-Subdivision basis) at an issue price of \$0.025 per Share to raise up to \$10,000,000 (**Public Offer**).

The Public Offer will be undertaken via the issue of a prospectus (**Prospectus**) to assist the Company in complying with Chapters 1 and 2 of the ASX Listing Rules (which is required to obtain re-instatement of the Shares to trading on the Official List on completion of the Proposed Acquisition).

The Company intends to include a priority offer in the Prospectus which will give existing Shareholders priority to subscribe for Shares under the Public Offer. It is proposed that the priority offer will allow the Company to accept applications from these Shareholders in priority to the allocation of Shares under the Public Offer to other applicants up to an expected amount of \$2,000,000. Further details of the priority offer will be included in the Prospectus to be released shortly.

On 8 May 2019, ASX granted the Company a waiver to enable the Company to issue the Public Offer Shares at an issue price of not less than \$0.02 per Share. The waiver is conditional upon Shareholders approving the issue price of the Public Offer Shares.

The minimum subscription under the Public Offer will be \$5,000,000 (**Minimum Subscription**). It is noted that the Shares the subject of the Public Offer will only be issued if:

- (a) the Minimum Subscription is raised;
- (b) the Company has received conditional approval from ASX for the Company to be reinstated to official quotation on ASX following the Company's compliance with ASX Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules;
- (c) the issue occurs contemporaneously with Settlement, which requires, amongst other things, the passing of all Essential Resolutions.

Further details of the Public Offer will be set out in the Prospectus.

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the Public Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Public Offer:

- (a) the maximum number of Shares to be issued under the Public Offer is 400,000,000 Shares (on a post-Subdivision basis);

- (b) the 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same day;
- (c) the issue price will be \$0.025 per Share;
- (d) the Directors, together with the appointed Lead Manager of the Public Offer, will determine whom the Shares will be issued but these persons will not be related parties of the Company, other than the Existing Directors, the Proposed Directors and the Company's majority Shareholder for whom Shareholder approval is being separately sought under Resolutions 7 to 12 for their Participation in the Public Offer;
- (e) the 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; and
- (f) the Company intends to use the funds raised from the Public Offer for the purposes outlined in Section 1.14.

8. RESOLUTIONS 7 TO 12 – ISSUE OF PUBLIC OFFER SHARES TO RELATED PARTIES

8.1 General

As set out in Section 7.1, the Company is seeking Shareholder approval to undertake the Public Offer pursuant to Resolution 6.

Winton Willesee, Eryn Dale, Harry Hill, Cataldo Miccio, Jourdan Thompson and Bergen Global Opportunity Fund, LP (together the **Related Parties**) wish to participate in the Public Offer (**Participation**).

Resolutions 7 to 12 seek Shareholder approval for the issue of up to an aggregate of 26,000,000 Shares (on a post-Subdivision basis) to the Related Parties arising from the Related Parties' Participation in the Public Offer.

8.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E is set out in Section 4.2 above.

The Participation will result in the issue of Shares which constitutes giving a financial benefit. Messrs Willesee and Hill and Ms Dale are related parties of the Company by virtue of being Directors and Messrs Miccio and Thompson are related parties of the Company by virtue of being persons who are likely to become a related party of the Company in the future (as Messrs Miccio and Thompson are Proposed Directors).

Bergen Global Opportunity Fund, LP is a related party of the Company as it, along with its associates, controls the Company at the date of this Notice. Bergen Global Opportunity Fund, LP is the ultimate parent company of White Oak Ridge Capital, LLC, a substantial shareholder of the Company. Bergen Global Opportunity Fund, LP is ultimately controlled by Mr Eugene Tablis. Please refer to the Company's notice of meeting announced on 7 December 2018 at page 11 for further details.

In respect of Resolution 7, the Directors (other than Winton Willesee who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the

Participation because the Shares will be issued to Mr Willesee on the same terms as Shares issued to non-related party participants in the Public Offer and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 8, the Directors (other than Eryn Dale who has a material personal interest in Resolution 8) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of her Participation for the same reason as is given for Mr Willesee's Participation above.

In respect of Resolution 9, the Directors (other than Harry Hill who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of his Participation for the same reason as is given for Mr Willesee's Participation above.

In respect of Resolutions 10, 11 and 12, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation of Cataldo Miccio, Jourdan Thompson and Bergen Global Opportunity Fund, LP for the same reason as is given for Mr Willesee's Participation above.

8.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 4.3 above.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.4 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 the Participation:

- (a) the Shares will be issued to the Related Parties;
- (b) the maximum number of Shares to be issued is 26,000,000 (on a post-Subdivision basis), comprising of:
 - (i) up to 2,000,000 Shares to Winton Willesee;
 - (ii) up to 2,000,000 Shares to Eryn Dale;
 - (iii) up to 2,000,000 Shares to Harry Hill;
 - (iv) up to 2,000,000 Shares to Cataldo Miccio;
 - (v) up to 2,000,000 Shares to Jourdan Thompson; and
 - (vi) up to 16,000,000 Shares to Bergen Global Opportunity Fund, LP;
- (c) details of the Related Parties' relevant interest in the Securities of the Company (on a post-Subdivision basis) and their voting power upon completion of the Proposed Acquisition and associated transactions (assuming Minimum Subscription) and assuming each Related Party is issued the maximum number of Shares under its respective Participation) are set out in the table below:

Director	Shares	Voting Power (Undiluted)	Options	Voting Power (Diluted)
Winton Willesee ¹	62,907,500	11.87%	30,870,000	14.20%
Erlyn Dale	2,000,000	0.38%	8,000,000	1.51%
Harry Hill	2,000,000	0.38%	Nil	0.30%
Cataldo Miccio ²	54,786,730	10.34%	13,566,000	10.35%
Jourdan Thompson	2,000,000	0.38%	8,000,000	1.15%
Bergen Global Opportunity Fund, LP (and associates)	143,500,000 ³	27.09%	40,131,000 ⁴	27.81%

Notes

1. Mr Willesee's relevant interest in Securities includes the 2,000,000 Shares Mr Willesee may subscribe for under the Public Offer in addition to 907,500 Shares held by Azalea Family Holdings Pty Ltd as trustee for the Britt and Winton Willesee Family Trust (a trust which Mr Willesee is a beneficiary of) and further in addition to 60,000,000 Shares and 30,870,000 2023 Options held by White Oak Ridge Capital, LLC. Mr Willesee is the manager of White Oak Ridge Capital, LLC with the power to control the votes and disposal of shares held by such entity.
2. Mr Miccio's relevant interest in Securities includes the 2,000,000 Shares Mr Miccio may subscribe for under the Public Offer in addition to 52,786,730 Consideration Shares to be issued to Mr Miccio and 13,566,000 2023 Options to be transferred to Mr Miccio pursuant to the Proposed Acquisition.
3. Bergen Global Opportunity Fund, LP's relevant interest in Shares includes the 16,000,000 Shares it may subscribe for under the Public Offer in addition to 67,500,000 Shares it currently is the registered holder of (on a post-Subdivision basis) and 60,000,000 Shares held by its associate White Oak Ridge Capital, LLC (on a post-Subdivision basis).
4. Bergen Global Opportunity Fund, LP's relevant interest in Options at the date of this Notice (on a post-Subdivision basis) is 97,920,000 (consisting of 97,500,000 2023 Options and 420,000 Options exercisable at approximately \$0.867 each on or before 31 May 2019) which includes 22,920,000 Options it currently is the registered holder of (consisting of 22,500,000 2023 Options and 420,000 Options exercisable at approximately \$0.867 each on or before 31 May 2019) (on a post-Subdivision basis) and 75,000,000 Options held by its associate White Oak Ridge Capital, LLC (on a post-Subdivision basis). As part of the Proposed Acquisition, Bergen Global Opportunity Fund, LP has agreed to transfer 9,639,000 2023 Options (on a post-Subdivision basis) to the Vendors under the Agreement and has agreed to transfer 3,600,000 2023 Options (on a post-Subdivision basis) to Non-Executive Directors of the Company. Further, Bergen Global Opportunity Fund, LP's associate, White Oak Ridge Capital, LLC has agreed to transfer 32,130,000 2023 Options (on a post-Subdivision basis) to the Vendors under the Agreement and has agreed to transfer 12,000,000 2023 Options (on a post-Subdivision basis) to Non-Executive Directors of the Company.

- (d) the Shares 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);
- (e) the issue price will be \$0.025 per Share (post-Subdivision), being the same issue price as all other Public Offer Shares issued under the Public Offer;

- (f) the 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; and
- (g) the funds raised will be used for the same purposes as all other funds raised under the Public Offer as set out in Section 1.14.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1. No Related Party's Participation is expected to result in a breach of the takeover prohibition set out in section 606 of the Corporations Act.

9. RESOLUTION 13 – ISSUE OF LEAD MANAGER OPTIONS

9.1 General

Resolution 13 seeks Shareholder approval for the issue of Lead Manager Options (on a post-Subdivision basis) to the Lead Manager of the Public Offer (or its nominee) in consideration for services provided in relation to the Public Offer.

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 13 will be to allow the Company to issue the Lead Manager Options to the Lead Manager (or its nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Determination of Lead Manager Options to be issued

The number of Lead Manager Options to be issued to the Lead Manager (or its nominee) is to be determined in accordance with the below formula (**LMO Formula**):

$$\text{Number of Lead Manager Options to be issued (on a post-Subdivision basis)} = \text{Total Public Offer Shares subscribed for} \times 15\%$$

The actual number of Lead Manager Options to be issued to the Lead Manager (or its nominee) will depend on the number of Shares issued under the Public Offer. The maximum number of Lead Manager Options that can be issued to the Lead Manager (or its nominee) is 60,000,000 (on a post-Subdivision basis), being 15% of 400,000,000 Shares (on a post-Subdivision basis) which is the maximum number of Shares that can be issued under the Public Offer to raise up to \$10,000,000 (refer to Section 7.1 for further details).

9.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 13:

- (a) as set out at Section 9.2 above, the number of Lead Manager Options to be issued is not currently known as it is dependent on the number of Shares issued under the Public Offer. However, the maximum number of Lead Manager Options to be issued is 60,000,000 (on a post-Subdivision basis);

- (b) the Lead Manager 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 ASX Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (c) the Lead Manager Options will be issued for nil cash consideration as the Lead Manager Options are being issued in consideration for services provided by the Lead Manager to the Company in its role as lead manager to the Public Offer;
- (d) the Lead Manager Options will be issued to the Lead Manager (or its nominee), who is not a related party of the Company;
- (e) the Lead Manager Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the issue of the Lead Manager Options to the Lead Manager (or its nominee) as the Lead Manager Options are being issued in consideration for services provided by the Lead Manager to the Company in its role as Lead Manager to the Public Offer.

10. RESOLUTIONS 14 AND 15 – ELECTION OF DIRECTORS

10.1 General

Clause 8.1 of the Constitution allows the Company to appoint at any time a person to be an additional Director by resolution passed in General Meeting. Any Director so appointed will hold office until the next Annual General Meeting of the Company and will be eligible for re-election at that Annual General Meeting.

10.2 Appointment of Cataldo Miccio

Pursuant to Resolution 14, Cataldo Miccio, a nominee of NZCS, seeks election from Shareholders to be appointed as a Non-Executive Director upon completion of the Proposed Acquisition. Resolution 14 is an Essential Resolution and is subject to and conditional upon approval of all other Essential Resolutions.

Qualifications and other material directorships

Prior to co-founding NZCS, Mr Miccio was the mayor of Nelson, New Zealand, and prior to that served as a Councillor of Nelson, beginning in 2007. In 2010, Mr Miccio successfully sold Bissi Ltd, an apparel company he had started in 1998 and which, at its peak, grew to over A\$15 million in annual sales. Mr Miccio currently serves as the Managing Director of KELA Charms and is a Vice President of the Italian Chamber of Commerce in New Zealand. Mr Miccio holds a Bachelor of Commerce in Business Administration, Management and Operations.

Mr Miccio does not currently hold any other directorships of public companies.

Independence

If elected, the Board does not consider Mr Miccio will be an independent director given he will become a substantial Shareholder upon completion of the Proposed Acquisition.

Directors' Recommendation

The Directors support the election of Cataldo Miccio and recommend that Shareholders vote in favour of Resolution 14.

10.3 Appointment of Jourdan Thompson

Pursuant to Resolution 15, Jourdan Thompson seeks election from Shareholders to be appointed as a Non-Executive Director upon completion of the Proposed Acquisition. Resolution 15 is an Essential Resolution and is subject to and conditional upon approval of all other Essential Resolutions.

Qualifications and other material directorships

Mr Thompson has over 15 years' industry experience in investment banking, finance and restructuring both in Australia and Europe. Mr. Thompson has spent the last 10 years in investment banking, working most recently for Greenhill & Co. as a director, based in the Sydney office and prior to this for ING Investment Bank based in London. During his time at Greenhill, Mr. Thompson principally focussed on strategic and advisory mandates for ASX200 clients. Mr. Thompson began his career at KPMG in the Corporate Recovery and Restructuring team (now McGrathNicol), prior to moving to the Corporate Finance team at Ernst & Young.

Mr. Thompson is a qualified Chartered Accountant with Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce degree, majoring in Accounting and Finance, from the University of New South Wales. Mr. Thompson is not currently a director of any public companies.

Independence

If elected, the Board considers that Mr Thompson will be an independent director.

Directors' Recommendation

The Directors support the election of Jourdan Thompson and recommend that Shareholders vote in favour of Resolution 15.

11. RESOLUTION 16 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 16 seeks the approval of Shareholders for the Company to change its name to "New Zealand Coastal Seafoods Limited", subject to completion of the Proposed Acquisition.

If Resolution 16 is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 16 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Proposed Acquisition in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

12. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION

12.1 General

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

Resolution 17 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 in 2007.

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:

- updating the name of the Company to that adopted in Resolution 16;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

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.xtv.net** 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 8 9389 3170). Shareholders are invited to contact the Company if they have any queries or concerns.

12.2 Summary of material proposed changes

Sale of unmarketable shareholders (clauses 8.23 to 8.35)

Clauses 8.23 to 8.35 of the Constitution outline how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares 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 shareholding 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.

Clauses 8.23 to 8.35 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4)

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 20)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (clauses 8.12 to 8.22)

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.

These clauses of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of these clauses.

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 of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company other than in respect of the Proposed Acquisition.

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.

12.3 Recommendation of the Board

The Directors unanimously recommend that Shareholders vote in favour of Resolution 17.

13. RESOLUTION 18 – ADOPTION OF INCENTIVE OPTION PLAN

Resolution 18 seeks Shareholder approval for the adoption of the employee incentive scheme titled Incentive Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 18 is passed, the Company will be able to issue Options under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under the Option Plan.

The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Options under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Option 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 will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Option Plan is set out in Schedule 4. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

14. RESOLUTIONS 19 AND 20 – AMENDMENT OF 2023 OPTIONS ON ISSUE

14.1 Background

The Company currently has 33,333,334 unquoted Options on issue which are exercisable at \$0.06 on or before 5 February 2023 (**2023 Options**). Further details of the 2023 Options and the terms upon which they were issued are set out in the Company's notice of meeting announced on 7 December 2018. The 2023 Options were issued to White Oak Ridge Capital, LLC, Bergen Global Opportunity Fund, LP and Ms Merle Smith and Mrs Katherine Smith pursuant to the approval of Shareholders obtained at the Company's general meeting held on 9 January 2019 as part of the process to recapitalise and restructure the Company.

A summary of the Subdivision is set out in Section 3. Upon completion of the Subdivision, there will be 100,000,002 2023 Options on issue exercisable at \$0.02 each on or before 5 February 2023.

14.2 Purpose of Resolutions 19 and 20

Resolutions 19 and 20 seeks the approval of Shareholders to amend the terms of the 2023 Options by increasing the exercise price from \$0.02 (on a post Subdivision basis) to \$0.06 (on a post-Subdivision basis) (**Proposed Amendment**), subject to Shareholders approving the Subdivision pursuant to Resolution 2.

Apart from the Proposed Amendment, the terms of the 2023 Options will remain unchanged. The amended terms of the 2023 Options should Resolutions 19 and 20 be passed are set out in Schedule 5.

14.3 ASX Listing Rule 6.23

ASX Listing Rule 6.23.4 provides that a company must obtain shareholder approval to make a change to the terms of options on issue which is not prohibited under ASX Listing Rule 6.23.3. ASX Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities on exercise. The Proposed Amendment is not prohibited under ASX Listing Rule 6.23.4 as it will only have the effect of increasing the exercise price of the 2023 Options.

14.4 Advantages of the Proposed Amendment

The Board considers that the Proposed Amendment:

- (a) increases the exercise price of the 2023 Options above the proposed issue price of the Public Offer;
- (b) further engages and incentivises the holders of the 2023 Options, who are key stakeholders in the Company, to support the Company's growth following completion of the Proposed Acquisition;
- (c) further aligns the interests of the holders of the 2023 Options with Shareholders generally; and
- (d) increases the amount the Company will receive upon exercise of the 2023 Options.

14.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 19 and 20 for the reasons set out above.

GLOSSARY

\$ means Australian dollars.

2023 Option has the meaning given at Section 14.1.

Agreement has the meaning given at Section 1.1.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting Shares.

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

ASX Listing Rules means the listing rules of ASX.

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.

BVG means BVG Trade and Investment Limited (NZBN 9429041557693), a company incorporated in New Zealand with a registered office at 30 Millington Place, Huntington Park, Auckland, 2013, New Zealand.

BVG Shares means the 1,500,000 Shares (on a post-Subdivision basis) to be issued to BVG in consideration for services provided by BVG to NZCS in relation to the introduction and facilitation of an investment in NZCS.

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 or **XTV** means XTV Networks Ltd (ACN 124 251 396).

Consideration Options means the 42,840,001 2023 Options to be transferred to the Vendors (on a post-Subdivision basis) at Settlement in consideration for the Proposed Acquisition.

Consideration Shares means the 166,694,937 Shares (on a post-Subdivision basis) to be issued to the Vendors at Settlement in consideration for the Proposed Acquisition.

Constitution means the Company's constitution.

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

Directors means the directors of the Company from time to time.

Essential Resolutions means Resolutions 1 to 20 apart from Resolution 17 and Resolution 18.

Existing Directors means the current Directors of the Company, being Winton Willesee, Erlyn Dale and Harry Hill.

Explanatory Statement means the explanatory statement accompanying the Notice.

Fyers Shares means the 8,409,747 Shares (on a post-Subdivision basis) to be issued to Richard Fyers in consideration for services provided by Mr Fyers to the Company in relation to the introduction and facilitation of the Proposed Acquisition.

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

NZCS means New Zealand Coastal Seafoods Limited (NZBN 9429043422678), a company incorporated in New Zealand with a registered office at 140 Quinns Road, Shirley, Christchurch, 8013, New Zealand.

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

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.

Lead Manager means Patersons Securities Limited (AFSL No. 239 052).

Lead Manager Options means the Options to be issued to the Lead Manager, the subject of Resolution 13.

Maximum Subscription means the maximum amount to be raised under the Public Offer, being \$10,000,000.

Minimum Subscription means the minimum amount to be raised under the Public Offer, being \$5,000,000.

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

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Option Plan means the incentive option plan the subject of Resolution 18 as summarised in Schedule 4.

Proposed Acquisition has the meaning set out in Section 1.1.

Proposed Directors means Cataldo Miccio and Jourdan Thompson.

Prospectus has the meaning set out in Section 7.1.

Proxy Form means the proxy form accompanying the Notice.

Public Offer means the offer of up to 400,000,000 Shares (on a post-Subdivision basis) at an issue price of \$0.025 per Share, to raise up to \$10,000,000 pursuant to the Prospectus as set out in Section 7.1.

Public Offer Shares means the Shares to be issued pursuant to the Public Offer.

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

Schedule means a schedule to this Notice.

Section means a section of the Explanatory Statement.

Securities means a Share or Option.

Security Holder means the holder of a Security.

Settlement means settlement of the Proposed Acquisition in accordance with the terms of the Agreement.

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

Shareholder means a registered holder of a Share.

Subdivision has the meaning set out in Section 3.1.

Vendors means the registered holders of all NZCS Shares.

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

SCHEDULE 1 – MATERIAL TERMS OF THE AGREEMENT

The key terms of the Agreement pursuant to which the Company is to acquire 100% of the issued capital of NZCS from the Vendors are as follows:

(a) **Exclusivity**

From execution of the Agreement until Settlement or earlier termination, the Vendors agree to exclusively deal with the Company regarding the Proposed Acquisition and allow for the Company to undertake due diligence on NZCS and its business and operations.

(b) **Conditions Precedent**

Completion of the Proposed Acquisition is subject to a number of conditions precedent (**Conditions Precedent**), including but not limited to those set out below, being satisfied on or before 16 June 2019 or such later date as is agreed by the Company and NZCS:

- (i) (**Warranties**) the warranties respectively provided by the Company and the shareholders of NZCS being true and correct in all material respects at the execution date of the Agreement and at completion of the Proposed Acquisition;
- (ii) (**Performance**) the Company and the shareholders of NZCS each having performed and complied with, in all material respects, each agreement, covenant and obligation required by the Agreement and any other transaction document;
- (iii) (**NZCS Material Adverse Change**) there having been no material adverse effect or any event, change, or effect that would, individually or in the aggregate, reasonably be expected to have a material adverse effect to NZCS;
- (iv) (**Removal from Official List**) the Company not having been removed from the Official List;
- (v) (**Due Diligence**) completion of due diligence by the Company on NZCS' business, assets and operations, to the Company's satisfaction;
- (vi) (**Public Offer**) the Company lodging a prospectus for the Public Offer and receiving valid applications for a minimum of \$5,000,000 under the Public Offer and completing the Public Offer;
- (vii) (**Shareholder Approvals**) the Company obtaining all necessary Shareholder approvals required by the Corporations Act and the ASX Listing Rules in relation to the Proposed Acquisition and the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules and reinstatement of the trading of the Shares on the Official List including the Resolutions the subject of this Notice of Meeting;
- (viii) (**Regulatory Approvals**) the parties obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, the Corporations Act and any other law, as required to allow the parties to lawfully complete the Proposed Acquisition pursuant to the Agreement, including conditional approval by the ASX being granted to reinstate the Shares to trading on the Official List; and

- (ix) **(Financial Statements)** NZCS' financial statements for the years ended 31 March 2017 and 31 March 2018 and for the nine month period ended 31 December 2018 having been audited to the satisfaction of the Company and the opinion of the independent auditor in respect of those financial statements being unqualified.

(c) **Consideration**

Subject to satisfaction or waiver of the Conditions Precedent, in consideration for acquiring 100% of NZCS' issued share capital, the Company has agreed to issue 166,694,937 Shares (on a post-Subdivision basis) and cause to be transferred 42,840,001 2023 Options to the Vendors (on a post-Subdivision basis) in proportion to their respective shareholding in NZCS at settlement of the Proposed Acquisition.

Consideration Shares

The allocation of the Consideration Shares to the Vendors is set out in Section 4.4(d).

Consideration Options

The Consideration Options are to be transferred to the Vendors by the three existing holders of the 2023 Options as set out below:

Optionholder	2023 Options held (pre-Subdivision)	2023 Options held (post-Subdivision)	Transfer of 2023 Options to Directors ¹	Transfer of 2023 Options to Vendors ²	Balance of 2023 Options held upon completion of transfers
White Oak Ridge Capital, LLC	25,000,000	75,000,000	12,000,000	32,130,000	30,870,000
Bergen Global Opportunity Fund, LP	7,500,000	22,500,000	3,600,000	9,639,000	9,261,000
Ms Merle Smith and Mrs Katherine Smith	833,334	2,500,002	400,000	1,071,001	1,029,001
Total	33,333,334	100,000,002	16,000,000	42,840,001	41,160,001

Notes:

- The total of 8,000,000 2023 Options (on a post-Subdivision basis) will be transferred to Eryln Dale, an Existing Director, and the total of 8,000,000 2023 Options (on a post-Subdivision basis) will be transferred to Jourdan Thompson, a Proposed Director. Please refer to Section 1.21.
- The table below sets out the number of 2023 Options (post-Subdivision) to be transferred to each Vendor:

Vendor	Percentage of Consideration Options (%)	Consideration Options to be issued
Cataldo Miccio (Co-founder of NZCS and Proposed Director of the Company – please refer to sections 1.10 and 10.2 for further details of Mr Miccio)	31.67%	13,566,000
Peter Win (Co-founder of NZCS and proposed Chief Executive Officer of the Company – please refer to section 1.10 for further details of Mr Win)	31.67%	13,566,000
Alexander Trading Corporation Ltd (Controlled by Alex Li, a co-founder of NZCS and current Head of Operations of NZCS – please refer to section 1.10 for further details of Mr Li)	31.67%	13,566,000
Chang Yan Chen (Silent and minority shareholder in NZCS)	5.00%	2,142,000
Total	100.00%	42,840,001

(d) **Board composition**

At Settlement, the existing Board will be restructured by the appointment of Cataldo Miccio, a co-founder of NZCS, and Jourdan Thompson as directors of the Company and the resignation of Harry Hill as a Director. Winton Willesee and Erlyn Dale will continue as Directors of the Company. The Company also intends to appoint Peter Win, a co-founder of NZCS, as Chief Executive Officer of the Company given his operational experience with NZCS.

(e) **Change of name**

Following Settlement, the Company will change its name to *New Zealand Coastal Seafoods Limited*.

The Agreement otherwise contains terms and conditions which are considered standard for a transaction of this nature, including warranties and indemnities granted by and to the Company.

SCHEDULE 2 – PRO-FORMA BALANCE SHEET

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	31 Dec 2018 (Audited) NZCS \$ AUD	31 Dec 2018 (Reviewed) xTV \$ AUD	Notes	Minimum Subscription Pro-Forma \$AUD	Maximum Subscription Pro-Forma \$ AUD
CURRENT ASSETS					
Cash and cash equivalents	6,487	-	b	4,905,987	9,661,987
Trade and other receivables	58,433	12,020		70,453	70,453
Inventories	294,144	-		294,144	294,144
TOTAL CURRENT ASSETS	359,065	12,020		5,270,585	10,026,585
NON-CURRENT ASSETS					
Property, Plant & Equipment	51,533	-		51,533	51,533
TOTAL NON-CURRENT ASSETS	51,533	-		51,533	51,533
TOTAL ASSETS	410,598	12,020		5,322,118	10,078,118
CURRENT LIABILITIES					
Trade payables and accruals	251,920	51,147		303,067	303,067
Financial liabilities	8,223	3,036,353	c	8,223	8,223
TOTAL CURRENT LIABILITIES	260,144	3,087,500		311,291	311,291
NON-CURRENT LIABILITIES					
Other	-	-		-	-
TOTAL NON-CURRENT LIABILITIES	-	-		-	-
TOTAL LIABILITIES	260,144	3,087,500		311,291	311,291
NET ASSETS	150,454	(3,075,480)		5,010,827	9,766,827
EQUITY					
Issued capital	-	19,286,516	d	8,564,469	12,940,228
Reserves	-	994,710	e	375,000	750,000
Accumulated profit (losses)	150,454	(23,356,706)	f	(3,928,642)	(3,923,401)
TOTAL EQUITY	150,454	(3,075,480)		5,010,827	9,766,827

PRO-FORMA ADJUSTMENTS

(a) Pro-forma Adjustments

- (i) The Company is to acquire 100% of the issued capital of NZCS from the shareholders of NZCS in exchange for the issue of 166,694,937 Shares in the Company. The Proposed Acquisition has been treated as an asset acquisition for the purposes of the pro-forma, a value of \$0.025 has been used as the value of the Shares.
- (ii) For accounting purposes, the acquirer has been identified as NZCS and the business combination referred to as an asset acquisition. Accordingly, the pro-forma group incorporates the assets and liabilities of NZCS and of the Company as if the group were headed by NZCS. At the acquisition date, the assets and liabilities of NZCS are recorded at their book value and the assets and liabilities of the Company (being the acquiree for accounting purposes) are recorded at fair value.

Components of equity, including issued capital, retained earnings and other reserves, reflect the balances of the accounting acquirer.

- (iii) Prospectus issue:
 - (A) A Prospectus for the issue of a minimum of 200,000,000 Shares at an issue price of \$0.025 to raise \$5,000,000 before total estimated costs of \$975,500.
 - (B) A Prospectus for the issue of a maximum of 400,000,000 Shares at an issue price of \$0.025 to raise \$10,000,000 before total estimated costs of \$1,594,500.

(b) Cash and cash equivalents

The movement in cash and cash equivalents as reflected in the unaudited pro-forma balance sheet at 31 December 2018 is shown as follows:

	Notes	Minimum Unaudited Pro- Forma After Acquisition and Capital Raising \$	Maximum Unaudited Pro- Forma After Acquisition and Capital Raising \$
Total cash and cash equivalents at 31 December 2018		6,487	6,487
<i>Pro-forma adjustments</i>			
– Proceeds from issue of 200,000,000 shares at \$0.025 per share	(a) (iii)	5,000,000	-
– Proceeds from issue of 400,000,000 shares at \$0.025 per share	(a) (iii)	-	10,000,000
– Proceeds from shares issued pursuant to DOCA on 5 February 2019		500,000	500,000
– Payment of estimated capital raising costs		(600,500)	(844,500)
		4,905,987	9,661,987

(c) **Financial liabilities**

	Minimum Unaudited Pro- Forma After Acquisition and Capital Raising \$	Maximum Unaudited Pro- Forma After Acquisition and Capital Raising \$
Total interest bearing liabilities at 31 December 2018	3,044,576	3,044,576
Derecognition of XTV secured creditor liability on effectuation of DOCA	(3,036,353)	(3,036,353)
	8,223	8,223

(d) **Issued capital**

	Notes	Issued ordinary shares (minimum offer)	Unaudited Pro-forma after Acquisition and capital raising (minimum offer)	Issued ordinary shares (maximum offer)	Unaudited Pro-forma after Acquisition and capital raising (maximum offer)
		No.	\$	No.	\$
NZCS - 31 December 2018		-	-	-	-
XTV - 31 December 2018		1,212,532,147	19,286,516	1,212,532,147	19,286,516
XTV Share consolidation - 11 January 2019		(1,206,469,041)	-	(1,206,469,041)	-
XTV shares post consolidation		6,063,106	19,286,516	6,063,106	19,286,516
Elimination of XTV existing shares		(6,063,106)	(19,286,516)	(6,063,106)	(19,286,516)
XTV Creditor Shares issued - 5 February 2019		20,000,000	3,036,353	20,000,000	3,036,353
XTV Share Capital raising - 5 February 2019		25,000,000	500,000	25,000,000	500,000
Elimination of XTV creditor shares and shares issued in capital raising		(45,000,000)	(3,536,353)	(45,000,000)	(3,536,353)
Share Split		102,126,212	-	102,126,212	-
Total Issued Capital post share split		102,126,212	-	102,126,212	-
Promoter Shares - Richard Fyers		8,409,747	210,244	8,409,747	210,244
Promoter Shares - BVG Trade and Investment Limited		1,500,000	37,500	1,500,000	37,500
NZCS Acquisition		166,694,937	4,167,366	166,694,937	4,167,366

	Notes	Issued ordinary shares (minimum offer)	Unaudited Pro-forma after Acquisition and capital raising (minimum offer)	Issued ordinary shares (maximum offer)	Unaudited Pro-forma after Acquisition and capital raising (maximum offer)
Public Issue		200,000,000	5,000,000	400,000,000	10,000,000
Costs of the issue		-	(850,641)	-	(1,474,882)
		478,730,896	8,564,469	678,730,896	12,940,228

(e) **Reserves**

	Minimum Unaudited Pro-Forma After Acquisition and Capital Raising \$	Maximum Unaudited Pro-Forma After Acquisition and Capital Raising \$
NZCS – Reserves at 31 December 2018	-	-
XTV – Reserves at 31 December 2018	994,710	994,710
Elimination of XTV Reserves on transaction with NZCS	(994,710)	(994,710)
Issue of Broker Options accounted for under AASB 2	375,000	750,000
	375,000	750,000

(f) **Accumulated Profits (Losses)**

	Minimum Unaudited Pro-Forma After Acquisition and Capital Raising \$	Maximum Unaudited Pro-Forma After Acquisition and Capital Raising \$
NZCS – Accumulated Profits at 31 December 2018	150,454	150,454
XTV – Accumulated Losses at 31 December 2018	(23,356,706)	(23,356,706)
	(23,206,252)	(23,206,252)
Elimination of XTV accumulated losses upon transaction with NZCS	23,817,579	23,817,579
Value of 166,694,937 shares issued immediately prior to the Asset Acquisition at 2.5 cents per share	(4,167,366)	(4,167,366)
Shares issued to Richard Fyers and BVG Trade and Investment Limited as a facilitation fee – treated as	(247,744)	(247,744)

	Minimum Unaudited Pro- Forma After Acquisition and Capital Raising \$	Maximum Unaudited Pro- Forma After Acquisition and Capital Raising \$
costs of the offer and expensed		
Other costs of the offer expensed	(124,859)	(119,618)
	(3,928,642)	(3,923,401)

SCHEDULE 3 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j) below, the amount payable upon exercise of each Option will be \$0.0275 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the third anniversary of its date of issue (**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 15 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 paragraph (g)(ii) above 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.

(l) **Transferability**

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

SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

The principle terms of the Incentive Option Plan (**Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:

- (I) death or total or permanent disability of a Relevant Person; or
- (II) retirement or redundancy of a Relevant Person;
- (B) a Relevant Person suffering severe financial hardship;
- (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
- (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(Special Circumstances), or

- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Option occurring;
- (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Option only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Options granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
- (vii) the expiry date of the Option.

- (h) **Not transferrable:** Subject to the ASX Listing Rules, Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer to paragraph (j)), from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the disposal of Shares ends. The Company will not apply for quotation of any Options on the ASX.
- (l) **No Participation Rights:** There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) **Change in exercise price or number of underlying securities:** An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.

SCHEDULE 5 – TERMS AND CONDITIONS OF 2023 OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j) below, the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 5 February 2023 (**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 three Business Days after the Exercise Date, the Company will:

- (i) allot and 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 paragraph (g)(ii) above 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) **Quotation of Shares issued on exercise**

If admitted to the Official List of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **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.

(k) **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.

(l) **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.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

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

PROXY FORM

**XTV NETWORKS LIMITED
(TO BE RENAMED NEW ZEALAND COASTAL SEAFOODS LIMITED)
ACN 124 251 396**

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our 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, at the Meeting to be held at 10am WST on 13 June 2019 at Suite 5, Chelsea Professional Centre, 145 Stirling Highway, Nedlands WA 6009, and at any adjournment thereof.

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 18 (except where I/we have indicated a different voting intention below) even though Resolution 18 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Nature and Scale of Activities – Proposed Acquisition of New Zealand Coastal Seafoods Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Subdivision of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Consideration Shares to the Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Fyers Shares to Richard Fyers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of BVG Shares to BVG Trade and Investment Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Public Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Public Offer Shares to Winton Willesee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Public Offer Shares to Erlyn Dale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Public Offer Shares to Harry Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Public Offer Shares to Cataldo Miccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Public Offer Shares to Jourdan Thompson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Public Offer Shares to Bergen Global Opportunity Fund, LP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Issue of Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Election of Director – Cataldo Miccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Election of Director – Jourdan Thompson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Adoption of Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19	Amendment of 2023 Options on Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Voting on business of the Meeting

Resolution 20 Amendment of 2023 Options on Issue

FOR☐**AGAINST**☐**ABSTAIN**☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):**Individual or Shareholder 1**

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____**Contact name:** _____**Contact ph (daytime):** _____**E-mail address:** _____**Consent for contact by e-mail
in relation to this Proxy Form:**YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) Post to P.O. Box 3144, Nedlands WA 6009; or

(b) email to the Company at winton@azc.com.au.

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

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