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**ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES LTD**  
**ARBN 619 754 540**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:00pm (WST)  
**DATE:** 23 July 2020  
**PLACE:** Suite 2, Level 1  
1 Altona Street  
WEST PERTH WA 6005

*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 3:00pm (WST) on 18 July 2020.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENT AND REPORTS

Review and discussion of the audited annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the director's report and the auditor's report.

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#### 2. RESOLUTION 1 – APPOINTMENT OF AUDITORS

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

*"RESOLVED, that BDO – Ziv Haft be, and hereby is, appointed as the independent auditors of the Company for the year 2020 and for an additional period until the next annual general meeting."*

The affirmative vote of at least a majority of the voting power represented at the Meeting, in person or by proxy and voting thereon, is required to adopt this Resolution.

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#### 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CDIS – LISTING RULE 7.1

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,841,909 CDIs on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Placement Participants (and/or their nominees), or a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF CDIS – LISTING RULE 7.1A

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,309,606 CDIs on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Placement Participants (and/or their nominees), or a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CDIS – LISTING RULE 7.1

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,555,556 CDIs on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Placement Participants (and/or their nominees), or a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**6. RESOLUTION 5 – APPROVAL TO ISSUE UP TO 40,000,000 CDIS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 40,000,000 CDIs on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**7. RESOLUTION 6 – ELECTION OF DIRECTOR – DR. JAMES ELLINGFORD**

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

*“That, for the purpose of clause 35(a) of the Articles, Listing Rule 14.4 and for all other purposes, Dr. James Ellingford, a Director who was appointed as an additional Director on 24 February 2020, retires by rotation, and being eligible, is re-elected as a Director, and his compensation as an independent director of the Company, as described in the Explanatory Statement, is approved.”*

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**8. RESOLUTION 7 – ELECTION OF DIRECTOR – ADAM BLUMENTHAL**

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

*“That, for the purpose of clause 35(a) of the Articles, and for all other purposes, Adam Blumenthal, retires, and being eligible, is re-elected as a Director.”*

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**9. RESOLUTION 8 – ELECTION OF DIRECTOR – DR. SHARON DEVIR**

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

*“That, for the purpose of clause 35(a) of the Articles and for all other purposes, Dr. Sharon Devir, a Director, retires, and being eligible, is re-elected as a Director.”*

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**10. RESOLUTION 9 – ELECTION OF DIRECTOR – BOAZ WACHTEL**

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

*“That, for the purpose of clause 35(a) of the Articles and for all other purposes, Boaz Wachtel, a Director, retires, and being eligible, is re-elected as a Director.”*

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**11. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE**

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

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

**Voting Exclusion:**

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**12. RESOLUTION 11 – APPROVAL FOR PROPOSED ISSUE OF CDIS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,500,000 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, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**Dated: 30 June 2020**

**By order of the Board**

A handwritten signature in dark ink, appearing to read "B. Wachtel.", is positioned above the printed name and title.

**Boaz Wachtel**  
**Executive Chairman**

### **Voting in person**

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

### **Voting by proxy**

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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:

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

### **Voting by holders of CDIs**

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Holders of CDIs are entitled to attend the Meeting, provided that they cannot vote at the Meeting, and if they wish to vote they must direct CDN, the holder of legal title of the CDIs, how to vote in advance of the Meeting pursuant to the instructions set out in the accompanying voting instruction form. If you are a holder of CDIs, please sign and date the enclosed voting instruction form and return it in accordance with the instructions on your voting instruction form.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6559 1792.***

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include review and discussion of the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the directors, the directors' report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [WWW.ROOTSSAT.COM](http://WWW.ROOTSSAT.COM).

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### 2. APPOINTMENT OF AUDITORS

Under the Companies Law and the Company's Articles, the shareholders of the Company are authorised to appoint the Company's independent auditors. Under the Articles, the Board, or the Company's audit committee if such power is delegated to it by the Board, is authorized to determine the independent auditors' remuneration.

At the Meeting, Shareholders will be asked to approve the re-appointment of BDO - Ziv Haft, certified public accountants in Israel, as the Company's auditors for the year ending 31 December 2020 and for an additional period until the next annual general meeting. BDO – Ziv Haft has no relationship with the Company or with any affiliate of the Company except to provide audit services.

The annual fees to the Company's independent auditors, as approved by the Board, shall be US\$30,000.

The Company's audit committee and the Board of Directors recommend a vote FOR approval of this Resolution.

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### 3. BACKGROUND TO RESOLUTIONS 2 AND 3

As announced on 3 February 2020, the Company received firm commitments to raise approximately A\$500,000 (before expenses) by way of a placement of 15,151,515 CDIs at an issue price of A\$0.033 per CDI (**Placement CDIs**) to professional and sophisticated investors (**February 2020 Placement**).

On 13 February 2020, the Company issued a total of 15,151,515 Placement CDIs, comprising of:

- (a) 2,841,909 CDIs which were issued pursuant to the Company's capacity under Listing Rule 7.1; and
- (b) 12,309,606 CDIs which were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 23 May 2019.

Resolutions 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs.



The Company appointed EverBlu Capital Pty Ltd (ACN 612 793 683) (AFSL 499 601) (**EverBlu Capital**) as lead manager to the February 2020 Placement. The Company agreed to pay EverBlu Capital a lead manager cash fee of 6% of the gross amount raised under the February 2020 Placement and subject to Shareholder approval being obtained at a future general meeting, issue EverBlu Capital (and/or its nominee) 2,000,000 CDIs (**Lead Manager CDIs**).

The Company intends to seek Shareholder approval for the Lead Manager CDIs pursuant to Listing Rule 10.1 at a future general meeting.

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## **4. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUE OF CDIS**

### **4.1 General**

Resolutions 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs. Further information in respect of the February 2020 Placement and the issue of the Placement CDIs is set out in Section 3.

### **4.2 Listing Rules 7.1 and 7.1A**

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

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 May 2019.

The Company is an eligible entity on the basis that, as at the date of the annual general meeting held on 23 May 2019 (and currently), it is not included in the S&P/ASX 300 Index and the Company has a current market capitalisation of less than \$300,000,000. Based on the number of CDIs on issue and the closing price of CDIs on ASX on 5 June 2020 (\$0.019), the Company's current market capitalisation is \$3,067,622.

The issue of the Placement CDIs does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement CDIs.

### **4.3 Listing Rule 7.4**

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

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

Resolutions 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs.

#### **4.4 Technical information required by Listing Rule 14.1A**

If Resolutions 2 and 3 are passed, the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval over the 12 month period following the date of issue of the Placement CDIs.

If Resolutions 2 and 3 are not passed, the Placement CDIs will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1 and its 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement CDIs.

#### **4.5 Technical information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Placement CDIs were issued to professional and sophisticated investors who are clients of EverBlu Capital (**Placement Participants**). The Placement Participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the Placement Participants are related parties of the Company or a Material Party;
- (b) 15,151,515 CDIs were issued on the following basis:
  - (i) 2,841,909 CDIs issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 2); and
  - (ii) 12,309,606 CDIs issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 3).
- (c) the Placement CDIs issued were issued on the same terms and conditions as the Company's existing CDIs. A summary of the terms and conditions of the Company's existing CDIs is set out in sections 11.3 and 11.4 of the Company's Replacement Prospectus announced on 6 December 2017 (which is available on the Company's ASX announcements platform (ASX: ROO));
- (d) the Placement CDIs were issued on 13 February 2020;
- (e) the issue price was A\$0.033 per CDI under both the issue of CDIs pursuant to Listing Rule 7.1 and Listing Rule 7.1A;
- (f) the purpose of the issue of the Placement CDIs was to raise approximately \$500,000, which funds have been and will be used to commercialise Root Zone Temperature Optimization (RZTO) marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in North America, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital;
- (g) the Placement CDIs were not issued under an agreement; and

- (h) a voting exclusion statement is included in Resolutions 2 and 3 of the Notice.

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF CDIS

### 5.1 Background

As announced on 18 May 2020, the Company received firm commitments to raise A\$280,000 (before expenses) by way of a placement of 15,555,556 CDIs at an issue price of A\$0.018 per CDI (**Placement CDIs**) to professional and sophisticated investors (**May 2020 Placement**).

On 27 May 2020, the Company issued a total of 15,555,556 Placement CDIs pursuant to the Company's capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs.

EverBlu Capital acted as lead manager to the May 2020 Placement pursuant to a mandate dated 17 February 2017 (**Everblu Mandate**). The Company agreed to pay EverBlu Capital a lead manager fee of 6% of the total funds raised under the May 2020 Placement and subject to Shareholder approval being obtained at a future general meeting, the company will issue EverBlu Capital (and/or its nominee) 1,000,000 CDIs (**Lead Manager CDIs**).

In addition, the Company paid EverBlu Capital a fee of \$80,000 for out-of-scope work (specifically, negotiating the settlement of the funding facility with CST Capital Pty Ltd, negotiating several funding arrangements on behalf of the Company that were presented to the board but did not eventuate, ongoing services related to seeking large funding arrangements for the Company) which was deducted from the total funds raised under the May 2020 Placement.

### 5.2 General

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs.

As summarised in Section 4.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period..

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

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

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

Resolution 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement CDIs the subject of the May 2020 Placement.

### **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Placement CDIs will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement CDIs.

If Resolution 4 is not passed, the Placement CDIs will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement CDIs.

### **5.4 Technical information required by Listing Rule 7.4**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Placement CDIs were issued to professional and sophisticated investors who are clients of EverBlu Capital (**Placement Participants**). The Placement Participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the Placement Participants are related parties of the Company or a Material Party;
- (b) 15,555,556 CDIs were issued pursuant to Listing Rule 7.1
- (c) the Placement CDIs issued were issued on the same terms and conditions as the Company's existing CDIs;
- (d) the Placement CDIs were issued on 27 May 2020;
- (e) the issue price was A\$0.018 per CDI;
- (f) the purpose of the issue of the Placement CDIs was to raise approximately \$280,000, which funds have been and will be used to commercialise Root Zone Temperature Optimization (RZTO) marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in North America, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital;
- (g) the Placement CDIs were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 4 of the Notice.

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## **6. RESOLUTION 5 – ISSUE OF UP TO 40,000,000 CDIS**

### **6.1 General**

Resolution 5 seeks Shareholder approval for the issue of up to 40,000,000 CDIs (**Placement**). The Company seeks this approval for the purpose of enabling the Company to undertake a capital raising during the three months after the approval of this Resolution.

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

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

## **6.2 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of CDIs under the Placement. In addition, the issue of CDIs under the Placement will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1. This will enable the Company to raise additional capital during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of CDIs under the Placement.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of CDIs under the Placement.

## **6.3 Issue of CDIs for Cash Consideration**

As set out in Section 6.1 above, one of the purposes for which the Company is seeking this approval, is to enable the Company to raise additional capital during the three months after the approval of this Resolution.

The Company anticipates that it will need to raise funds in the future in light of its current cash position (US\$244,000 as at 27 May 2020) and operational costs.

### Funds raised under the Placement

The table below sets out the possible funds that the Company could raise under this Resolution.

To calculate the potential funds that could be raised under the Placement, the table below uses values of \$0.0224, \$0.0336 and \$0.0112 being the volume weighted average price for CDIs on the 5 days on which sales in CDIs were recorded before 21 May 2020, and the volume weighted prices which are 50% higher and 50% lower than that price. To calculate the potential funds that could be raised under this Resolution, discounted figures of \$0.011, \$0.017 and \$0.006, have been used, being an issue price, which is not less than 50% of the volume weighted average prices (i.e. maximum discount) set out below.

<b>VWAP</b>	<b>VWAP Discount (50% of VWAP)</b>	<b>Maximum Funds Raised</b>
\$0.112	\$0.006	\$240,000
\$0.0224	\$0.011	\$440,000
\$0.0336	\$0.017	\$680,000

## Use of Funds

The table below sets out the Company's intended use of funds raised under the Placement assuming the Company raises \$680,000 under the Placement.

	\$	%
Installation & engineering	\$156,400	23%
Sales, marketing and business development	\$251,600	37%
General & administration	\$163,200	24%
Expenses of the Placement	\$61,200	9%
Working capital	\$47,600	7%
<b>Total</b>	<b>\$680,000</b>	<b>100.00%</b>

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events 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.

## **6.4 Dilution**

Any issue of CDIs under the Placement will dilute the interests of Shareholders who do not receive any CDIs under the Placement. Assuming no Options are exercised, no convertible securities are converted and no other CDIs are issued (other than pursuant to Resolutions 5 and 11) and the maximum number of Shares are issued under Resolutions 5 and 11 (assuming that 88,235,294 CDIs were issued under Resolution 11 at an issue price of \$0.015 per CDI), the number of CDIs on issue would increase from 161,453,791 (being the number of CDIs on issue as at the date of this Notice) to 289,689,085 and the shareholding of existing Shareholders would be diluted by approximately 46%.

## **6.5 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the CDIs will be issued to professional and sophisticated investors who will be identified by the Directors and/or the Company's Corporate Advisor, Everblu Capital Pty Ltd. The recipients will be identified through a bookbuild process which involves the Directors and/or Everblu Capital seeking expressions of interest to participate in a capital raising from non-related parties of the Company and parties who are not a Material Party;
- (b) the maximum number of CDIs to be issued is up to 40,000,000. The CDIs will be issued on the same terms and conditions as the Company's existing CDIs. A summary of the terms and conditions of the Company's existing CDIs is set out in sections 11.3 and 11.4 of the Company's Replacement Prospectus announced on 6 December 2017 (which is available on the Company's ASX announcements platform (ASX: ROO));
- (c) the CDIs will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the CDIs will occur progressively;

- (d) the issue price will be not less than 50% of the volume weighted average price for CDIs calculated over the 5 days on which sales in the CDIs are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (e) the purpose of the issue of the Placement is to raise capital, which the Company intends to apply as set out in Section 6.3;
- (f) the CDIs under the Placement are not being issued under an agreement;
- (g) the CDIs under the Placement are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 5 of the Notice.

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## **7. RESOLUTION 6 – ELECTION OF DIRECTOR – DR JAMES ELLINGFORD**

### **7.1 General**

Clause 37(a) of the Articles allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director elected to fill a vacancy shall be elected to hold office until the next annual general meeting at which one or more Directors are elected.

Pursuant to the Articles and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders.

Dr James Ellingford, having been appointed by other Directors on 24 February 2020 in accordance with the Constitution, will retire in accordance with the Articles and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **(a) Qualifications and other material directorships**

Dr Ellingford previously served as International President of a multi-billion dollar NASDAQ software business Take-Two Interactive Software with its headquarters in Geneva and New York. He has vast international experience in the software industry and has close ties with financial institutions and governments throughout the world. Dr Ellingford has had ample experience over the last several years in the Cannabis space as well as living for a period in West Coast of USA. This will serve Roots very well, given Roots is currently strengthening its focus on the Cannabis space in California. He is considered an expert in the areas of collaboration of media and digital assets, data sharing and corporate communications to enable workflow acceleration and has close ties with large US based corporates who dominate this space. Dr Ellingford holds a Postgraduate in Corporate Management, Master's in Business Administration and a Doctorate in Management. Dr Ellingford has lectured MBA students in Corporate Governance, ethics and marketing at a leading Sydney University which are areas he has a keen interest in.

Mr Ellingford is currently a Director of Esense-Lab Ltd (ASX: ESE), Creso Pharma Limited (ASX: CPH) and Minrex Resources Limited (ASX: MRR)

**(b) Independence**

Dr. Ellingford has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board does consider that Dr. Ellingford will be an independent Director.

**(c) Compensation**

The Board of Directors resolved to recommend to the Shareholders at the Meeting to approve the following compensation to Dr. Ellingford:

Dr Ellingford will receive a fee of A\$3,500 per month in accordance with his director agreement.

The annual fees referred to above are intended to be a fixed-fee and shall be paid on a quarterly basis. There is no limit regarding the number and/or hours of meetings, and it includes all meetings of the Board and any Board committees.

The proposed compensation is in accordance with the Company's compensation policy.

**(d) Board recommendation**

The Board supports the re-election of Dr. Ellingford and recommends that Shareholder vote in favour of Resolution 6.

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**8. RESOLUTIONS 7, 8 AND 9 – ELECTION OF DIRECTORS – ADAM BLUMENTHAL, BOAZ WACHTEL AND SHARON DEVIR**

**8.1 General**

Clause 35(a) of the Articles provides that the Directors shall be elected at each annual general meeting and shall serve in office until the close of the next annual general meeting at which one or more Directors are elected, unless their office becomes vacant earlier in accordance with the provisions of the Articles.

The Company is not aware of any reason why any of the nominees, if elected, should not be able to serve as a Director.

Each of Mr. Adam Blumenthal, Mr. Boaz Wachtel and Mr. Sharon Devir have attested to the Board of Directors and to the Company that they meet all the requirements in connection with the election of directors under the Israeli Companies Law, per the statement substantially in the form attached hereto as Schedule 1.

**8.2 Election of Adam Blumenthal**

Adam Blumenthal, who has served as a Director since 2017 and was last re-elected on 23 May 2019, retires and seeks re-election.



(a) **Qualifications and other material directorships**

Mr Blumenthal has 10 years' experience in investment banking and corporate finance. He has deep exposure to Australian and international markets, having provided capital raising and financing solutions to an extensive number of unlisted and listed companies. Mr Blumenthal has played a lead role in advising and supporting multiple organisations across a broad spectrum of industries. Using his experience and extensive network of international contacts to provide corporate advisory and capital markets input, he has successfully brought to market several companies and is actively involved in mining, cyber security, agricultural technology, medicinal cannabis, pharmaceutical and information technology sectors.

Mr Blumenthal is a shareholder and Chairman of EverBlu Capital.

Everblu Capital Pty Ltd is the lead broker of the Company. For the purpose of the definition of "control" in the ASX Listing Rules, Mr Blumenthal controls EverBlu Capital Pty Ltd. For the purposes of the Listing Rules, as a company controlled by Mr Blumenthal, Everblu Capital Pty Ltd would also be a "related party" (as defined in the Listing Rules) of the Company.

Other current directorships: Creso Pharma Limited.

(b) **Independence**

If elected the Board does not consider that Mr Blumenthal will be an independent Director.

(c) **Board recommendation**

The Board supports the re-election of Mr Blumenthal and recommends that Shareholder vote in favour of Resolution 7.

### **8.3 Election of Boaz Wachtel**

Boaz Wachtel, who has served as a Director since 2009 and was last re-elected on 23 May 2019, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Mr. Wachtel, 60, is the Co-Founder and Executive Director of Roots. Mr. Wachtel is the inventor of irrigation by condensation (NASA Tech Brief magazine- Technologies of the Month) and root zone heating and cooling - ROOTS's core technologies. He has published 25 publications focussing on water and he is a frequent lecturer on agricultural technology, Middle East water issues and sustainability. He is a former assistant army attaché to the Israeli Embassy in Washington DC and has lectured at the UN conflict resolution conference. Mr Wachtel holds a Masters in Management and Marketing from the University of Maryland.

Other current directorships: Creso Pharma Limited.

(b) **Independence**

If elected the Board does not consider that Mr Wachtel will be an independent Director.

(c) **Board recommendation**

The Board supports the election of Mr Wachtel and recommends that Shareholders vote in favour of Resolution 8.

#### **8.4 Election of Sharon Devir**

Sharon Devir, who has served as a Director since 2009 and was last re-elected on 23 May 2019, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Dr Devir, 60, is a Co-Founder and Chief Executive Officer of Roots. He previously cofounded Salicrop, an abiotic stress seed treatment technology as well as Rimonim, an Agri-Tech fund. Dr Devir was the former Chief Executive Officer of NGT, a technology incubator which sold a company Flourinex to Colgate for US\$100 million. He was also the Former Chief Scientific Officer of AFIMILK dairy management systems and he has lectured at The Hebrew University, Israel on behalf of the Agriculture Faculty. Dr Devir's achievements led to being awarded the "Man of the Year" award by Israeli TV Channel 2 and the Daily "Yediot Acharonot" newspaper for his Unique Social Contribution.

Other current directorships: Salicrop, SkyX, Rimonim Agro Management.

(b) **Independence**

If elected the Board does not consider that Dr Devir will be an independent Director.

(c) **Board recommendation**

The Board supports the election of Mr Devir and recommends that Shareholders vote in favour of Resolution 9.

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## **9. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE**

### **9.1 General**

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital without using that entity's existing 15% annual placement capacity granted under Listing Rule 7.1 (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity because it is not included in the S&P/ASX 300 Index and the Company has a current market capitalisation of less than \$300,000,000. Based on the number of CDIs on issue and the closing price of CDIs on ASX on 15 June 2020 (\$0.018), the Company's current market capitalisation is \$2,906,168.

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

If Resolution 10 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

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

## **9.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

### **(a) Date of Issue**

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

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

### **(b) Minimum Price**

The minimum price at which the Equity Securities may be issued under the 7.1A Mandate is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in Section 9.2(b)(i) the date on which the Equity Securities are issued.

### **(c) Use of Funds raised under the 7.1A Mandate**

The Company intends to use funds raised under the 7.1A Mandate for the acquisition of new resources, assets and investments consistent with the Company's business strategy, including expenses associated with such an acquisition, to satisfy its commitments under its current sales and distribution agreements, to review and pursue new investment opportunities that may arise, and for general working capital.

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

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

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Equity Securities on issue as at 15 June 2020.

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

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.009	\$0.018	\$0.027
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	289,689,085 Shares	28,968,909 Shares	\$260,720	\$521,440	\$782,161
50% increase	434,533,628 Shares	43,453,363 Shares	\$391,080	\$782,161	\$1,173,241
100% increase	579,378,170 Shares	57,937,817 Shares	\$521,440	\$1,042,881	\$1,564,321

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

**The table above uses the following assumptions:**

1. There are currently 289,689,085 Shares on issue comprising:
  - (a) 161,453,791 existing Shares as at the date of this Notice of Meeting;
  - (b) 40,000,000 Shares which will be issued if Resolution 5 is passed at this Meeting and 88,235,294 Shares assuming that Resolution 11 is passed at this Meeting and that the issue price is \$0.015 per Share; and
2. The issue price set out above is the closing price of the Shares on the ASX on 15 June 2020.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

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

Shareholders should note that there is a risk that:

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

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

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

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

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

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 7.1A Mandate will be vendors of the new resources, assets or investments.

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 May 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 14 July 2020, the Company issued 21,309,606 CDIs pursuant to the Previous Approval (**Previous Issue**), which represent approximately 20.58% of the total diluted number of Equity Securities on issue in the Company on 14 July 2019, which was 142,391,856.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

<b>Date</b>	Issue Date – 24 October 2019 Appendix 3B – 24 October 2019
<b>Recipients</b>	Domestic and international professional and sophisticated investors as part of a placement announced on 23 October 2019. The placement participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the placement from non-related parties of the Company.
<b>Number and Class of Equity Securities Issued</b>	9,000,000 CDIs
<b>Issue Price and discount to Market Price<sup>1</sup></b>	\$0.043 per CDI (at a discount of 6.52% to Market Price).
<b>Consideration</b>	<b>Amount raised:</b> \$750,984 <b>Amount spent:</b> \$750,984 <b>Use of funds:</b> Funds used to progress commercialisation of the Company's RZTO opportunities, expand cannabis growers marketing and sales activity in the US, fund pursuit of cannabis and hemp opportunities, and provide ongoing working capital.

<b>Date</b>	Issue Date – 13 February 2020 Appendix 3B – 3 February 2020
<b>Recipients</b>	Professional and sophisticated investors who are clients of EverBlu Capital ( <b>Placement Participants</b> ). The Placement Participants were identified through a bookbuild process, which involved EverBlu Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
<b>Number and Class of Equity Securities Issued</b>	12,309,606 CDIs
<b>Issue Price and discount to Market</b>	A\$0.033 per CDI (at a discount of 6% to Market Price).

<b>Price<sup>1</sup></b>	
<b>Consideration</b>	<p><b>Amount raised:</b> \$406,217</p> <p><b>Amount spent:</b> \$287,000</p> <p><b>Use of funds:</b> Funds used to commercialise Root Zone Temperature Optimization (RZTO) marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in North America, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital.</p>

**Note:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

As at the date of this Notice, the Company has not agreed to issue any other Equity Securities under Listing Rule 7.1A.2.

**(g) Voting Exclusion**

A voting exclusion statement is not included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

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**10. RESOLUTION 11 – APPROVAL FOR PROPOSED ISSUE OF CDIS**

**10.1 General**

The Company is proposing to issue up to that number of CDIs, when multiplied by the issue price, will raise up to \$1,500,000 (**Placement CDIs**).

The Company proposes to engage the services of EverBlu Capital to manage the issue of the Placement CDIs under a new mandate. Under Israeli legal requirements, the proposed mandate for provision of these services will need to be approved by Shareholders prior to execution and any fees for services being paid. The proposed fee payable to EverBlu Capital for its services in relation to the issue of the Placement CDIs is a fee of 6% of the gross amount raised under the issue of the Placement CDIs.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The proposed issue of the Placement CDIs does not fall within any of these exceptions and may exceed the 15% limit in Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of the Placement CDIs.

**10.2 Technical information required by Listing Rule 14.1A**

The issue of the Placement CDIs does not fall within any of these exceptions and whilst the number of Placement CDIs may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the

Placement CDIs under Listing Rule 7.1 so that it does not use up any of the 15% limit on issue equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Placement CDIs. In addition, the issue of the Placement CDIs will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 11 is not passed, the Company may not be able to proceed with the issue of the Placement CDIs and the Company will be restricted to issuing that number of CDIs capable of being issued under its Listing Rule 7.1 placement capacity when it resolves to proceed with a placement.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement CDIs.

### 10.3 Proposed Use of Funds

As set out in Section 10.1 above, the Company is proposing to issue up to that number of Placement CDIs which, when multiplied by the issue price, will raise up to \$1,500,000, during the three months after the approval of this Resolution. The table below sets out the Company's intended use of funds raised.

	\$	%
Installation & engineering	\$345,000	23%
Sales, marketing and business development	\$555,000	37%
General & administration	\$360,000	24%
Expenses of the issue of the Placement CDIs	\$135,000	9%
Working capital	\$105,000	7%
<b>Total</b>	<b>\$1,500,000</b>	<b>100.00%</b>

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events 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.

### 10.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) the Placement CDIs will be issued to professional and sophisticated investors who will be identified by the Directors and/or the Company's Lead Manager and Corporate Advisor, Everblu Capital. The recipients will be identified through a bookbuild process which involves the Directors and/or Everblu Capital seeking expressions of interest to participate in a capital raising from non-related parties of the Company and parties who are not a Material Party;
- (b) the maximum number of Placement CDIs to be issued is up to that number of CDIs which, when multiplied by the issue price, equals \$1,500,000;



- (c) the Placement CDIs will be issued on the same terms and conditions as the Company's existing CDIs. A summary of the terms and conditions of the Company's existing CDIs is set out in sections 11.3 and 11.4 of the Company's Replacement Prospectus announced on 6 December 2017 (which is available on the Company's ASX announcements platform (ASX: ROO));
- (d) the Placement CDIs will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement CDIs will occur on the same date;
- (e) the issue price of the Placement CDIs will be not less than 75% of the 5 Day VWAP calculated over the 5 days on which sales in the CDIs are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed. The Company will not receive any other consideration for the issue of the Placement CDIs;
- (f) the purpose of the issue of the Placement CDIs is to raise \$1,500,000. The Company intends to apply the funds raised from the issue towards sales and marketing activity (local and international), operating expenses including employee salaries, patent maintenance and registering new IP, experimental greenhouse maintenance and pilots, plastic moldings in Israel, legal and administrative costs, payout of existing debt and expansion of protein programs;
- (g) the Placement CDIs are not being issued under an agreement;
- (h) the Placement CDIs are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 11 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

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

**Articles** means the Company's Amended and Restated Articles of Association.

**ASIC** means the Australian Securities & Investments Commission.

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

**Board** means the current board of Directors of the Company.

**CDI Holder** means a holder of CDIs.

**CDIs** means CHESS Depositary Interests issued by CDN, where each CDI represents a beneficial interest in one Share.

**CDN** means CHESS Depositary Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depositary of the CDIs under the ASX Settlement Operating Rules.

**Chair** means the chair of the Meeting.

**Company** or **Roots** means Roots Sustainable Agricultural Technologies Ltd (ARBN 619 754 540).

**Companies Law** means Israeli Companies Law, 5759-1999.

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

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

**Equity Security** has the meaning given to that term in the Listing Rules.

**EverBlu Capital** means EverBlu Capital Pty Ltd (ACN 612 793 683) (AFSL 499 601).

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Material Party** means a member of the Company's key management personnel, a substantial holder in the Company, an adviser to the Company or an associate of any of the above.

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

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

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

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**VWAP** means the volume weighted average price of trading of CDIs.

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

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## SCHEDULE 1 – FORM OF STATEMENT OF A CANDIDATE TO SERVE AS A DIRECTOR

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The undersigned, \_\_\_\_\_, hereby declares to Roots Sustainable Agricultural Technologies Ltd. (the "Company"), effective as of \_\_\_\_\_, as follows:

- (a) I am making this statement as required under Section 224B of the Israeli Companies Law, 5759-1999 (the "Israeli Companies Law"). Such provision requires that I make the statements set forth below prior to, and as a condition to, the submission of my election as a director of the Company to the approval of the Company's shareholders.
- (b) I possess the necessary qualifications and skills and have the ability to dedicate the appropriate time for the purpose of performing my service as a director in the Company, taking into account, among other things, the Company's special needs and its size.
- (c) My qualifications were presented to the Company. In addition, attached hereto is a biographical summary, which includes a description of my academic degrees, as well as previous experience relevant for the evaluation of my suitability to serve as a director.
- (d) I am not restricted from serving as a director of the Company under any items set forth in Sections 2261, 226A2 or 2273 of the Israeli Companies Law, which include, among other things, restrictions relating to the appointment of a minor, a person who is legally incompetent, a person who was declared bankrupt, a person who has prior convictions or anyone whom the administrative enforcement committee of the Israel Securities Law 5728-1968 (the "Israel Securities Law") prohibits from serving as a director.
- (e) I am aware that this statement shall be presented at the Annual General Meeting of Shareholders of the Company in which my election shall be considered, and that pursuant to Section 241 of the Israeli Companies Law it shall be kept in the Company's registered office and shall be available for review by any person.

Should a concern arise of which I will be aware and/or that will be brought to my attention, pursuant to which I will no longer fulfill one or more of the requirements and/or the

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<sup>1</sup>As of the date hereof, Section 226 of the Israeli Companies Law generally provides that a candidate shall not be appointed as a director of a public company (i) if the person was convicted of an offense not listed below but the court determined that due to its nature, severity or circumstances, he/she is not fit to serve as a director of a public company for a period that the court determined which shall not exceed five years from judgment or (ii) if he/she has been convicted of one or more offences specified below, unless five years have elapsed from the date the convicting judgment was granted or if the court has ruled, at the time of the conviction or thereafter, that he/she is not prevented from serving as a director of a public company:

1. offenses under Sections 290-297 (bribery), 392 (theft by an officer), 415 (obtaining a benefit by fraud), 418-420 (forgery), 422-428 (fraudulent solicitation, false registration in the records of a legal entity, manager and employee offences in respect of a legal entity, concealment of information and misleading publication by a senior officer of a legal entity, fraud and breach of trust in a legal entity, fraudulent concealment, blackmail using force, blackmail using threats) of the Israel Penal Law 5737-1997; and offences under sections 52C, 52D (use of inside information), 53(a) (offering shares to the public other than by way of a prospectus, publication of a misleading detail in the prospectus or in the legal opinion attached thereto, failure to comply with the duty to submit immediate and period reports) and 54 (fraud in securities) of the Israel Securities Law;
2. conviction by a court outside of the State of Israel of an offense of bribery, fraud, offenses of directors/managers in a corporate body or exploiting inside information.

<sup>2</sup>As of the date hereof, Section 226A of the Israeli Companies Law provides that if the administrative enforcement committee of the Israel Securities Authority has imposed on a person enforcement measures that prohibited him/her from holding office as director of a public company, that person shall not be appointed as a director of a public company in which he/she is prohibited to serve as a director according to this measure.

<sup>3</sup>As of the date hereof, Section 227 of the Israeli Companies Law provides that a candidate shall not be appointed as a director of a company if he/she is a minor, legally incompetent, was declared bankrupt and not discharged, and with respect to a corporate body – in case of its voluntary dissolution or if a court order for its dissolution was granted.

declarations set forth above, I shall notify the Company immediately, in accordance with Section 227A of the Israeli Companies Law.

IN WITNESS WHEREOF, the undersigned has signed this statement as of the date set forth above.

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[Name]

[Date]

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## SCHEDULE 2 – TERMS AND CONDITIONS OF THE OPTIONS

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(a) **Entitlement**

Each Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) in the capital of Roots Sustainable Agricultural Technologies Ltd (**Company**) upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.12 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 25 July 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within five business days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the 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) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, an Option does not confer the right to a change in Exercise Price.

(l) **Transferability**

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

## PROXY FORM