

Notice of Extraordinary General Meeting and Explanatory Memorandum

Veratin Limited ACN 613 404 612

Date of Meeting: 24/07/2023

Time of Meeting: 10:00 am (Perth time)

Place of Meeting: 14A Hines Road, O'Connor WA 6163

Notice of Extraordinary General Meeting

Notice is given that the Extraordinary General Meeting of Shareholders of Veratin Limited ACN 613 404 612 (**Company**) will be held at Unit 1, 14A Hines Road, O'Connor WA 6163, on 24 July 2023 at 10:00am (Perth time).

Terms used in this Notice of Meeting are defined in section 3 (Interpretation) of the accompanying Explanatory Memorandum.

Agenda

Special business

1. Resolution 1 -

To consider and, if thought fit, pass the following Resolution, with or without amendment, as a **Special Resolution** of the Company:

"That, for the purposes of NSX Listing Rule 6.44 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 666,667 fully paid ordinary Shares to the Underwriter, being an entity controlled by Dr Ramiz Boulos, the Executive Chairman of the Company, or his nominee/s, in consideration for the Underwriter providing the full Underwritten Amount of \$100,000."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) a person who is expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 1 by:


- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting 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:
 - 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 the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board

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Ramiz Boulos

Company Secretary

Dated: 13 June 2023

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Veratin Limited ACN 613 404 612 (**Company**) to explain the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at Unit 1, 14A Hines Road, O'Connor WA 6163 on 24 July 2023 commencing at 10:00am (Perth time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 3.

2. Special Resolution 1 – Issue of Shares to Underwriter

2.1 Background

The Company has lodged the Prospectus dated 9 May 2023 for an issue of a minimum of 1,333,334 fully paid ordinary Shares up to 2,333,334 fully paid ordinary Shares at an issue price of \$0.15 per Share to raise a minimum of \$200,000 and a maximum of \$350,000 (**the Offer**). The Company lodged the Supplementary Prospectus dated 23 May 2023 to be read together with the Prospectus.

The Underwriter has agreed to subscribe for at least \$100,000 worth of Shares under the Offer subject to shareholder approval. If the funds raised under the Offer are more than \$250,000, the Underwriter will subscribe for that number of Shares remaining under the Offer to achieve Maximum Subscription of \$350,000 subject to shareholder approval.

The Company has raised \$180,530 under the Offer. Therefore, the Underwriter will subscribe for 666,667 Shares in the Company at an issue price of \$0.15, subject to Shareholder approval of Resolution 1.

2.2 Explanation

This Resolution seeks Shareholder approval to issue and allot 666,667 Shares at an issue price of \$0.15 to the Underwriter, or its nominee/s, in consideration for where the Underwriter is required to underwrite the full Underwritten Amount of \$100,000.

NSX Listing Rule 6.44

Pursuant to NSX Listing Rule 6.44, the Company will be required to obtain approval of all shareholders of the Company for any issue of equity securities by the Company to a 'related party'.

The Underwriter is an entity controlled by Dr Ramiz Boulos, the Executive Chairman of the Company, and so is a 'related party' of the Company for the purposes of section 228 of the Corporations Act. There are several exceptions to NSX Listing Rule 6.44, of which none apply to the issue and allotment of Shares by the Company to the Underwriter.

In turn, the purpose of Resolution 1 is to obtain the shareholder approval required under NSX Listing Rule 6.44 in relation to the issue and allotment of the 666,667 Shares from the Company to the Underwriter.

The passing of Resolution 1 would allow the company to issue Shares to the Underwriter in accordance with Listing Rule 6.44. Alternatively, if Resolution 1 is not passed, the Company

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will unable to issue and allot the 666,667 Shares to the Underwriter pursuant to Listing Rule 6.44.

Ch 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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 and allotment of the 666,667 Shares to the Underwriter constitutes giving a financial benefit and the Underwriter is a related party of the Company by virtue of being an entity controlled by the Executive Chairman of the Company, Dr Ramiz Boulos (s 228 of the Corporations Act).

The Board considers that the Underwriting Agreement has been entered into on a better than arm's length basis for the purposes of not requiring shareholder approval under section 210 of the Corporations Act. However, pursuant to the Prospectus and the Listing Rules, any Shares issued to the Underwriter shall be subject to Shareholder approval.

Resolution 1 seeks the required Shareholder approval for the issue and allotment of the 666,667 Shares to the Underwriter for the purposes of Chapter 2E of the Corporations Act and NSX Listing Rule 6.44.

Technical Information required by Listing Rule 6.44

Pursuant to and in accordance with Listing Rule 6.44, the following information is provided in relation to Resolution 1:

- (a) the Shares will be issued to the following persons:
 - (1) the Underwriter (or their nominee) pursuant to Resolution 1,
who falls into the category set out in Listing Rule 6.44 by virtue of being an entity controlled by the Executive Chairman of the Company, Dr Ramiz Boulos,
- (b) the maximum number of Shares to be issued to the Underwriter (being the nature of the financial benefit proposed to be given) is 666,667 Shares;
- (c) 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;
- (d) the Shares will be issued no later than 1 year after the date of the Meeting and it is anticipated the Shares will be issued on the same date;
- (e) the issue price of the Shares will be \$0.15 per share, being the same issue price as Shares issued under the Company's recent initial public offer. The Company will receive consideration from the Underwriter for the issue of the Shares totalling \$100,000;

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- (f) the purpose of the issue of the Shares is to provide a cost effective way from the company to ensure adequate funds are raised under the Offer so that the Company can fulfill the Purpose of the Issue;
- (g) the Company does not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Shares to the Underwriter upon the terms proposed;
- (h) the relevant interests of the Underwriter in securities of the Company as at the date of this Notice are that the Underwriter and its associates hold 48,555,212 Shares in the Company, representing 49.43% of the voting power in the Company;
- (i) the board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 1;
- (j) the Shares are being issued under the Underwriter's Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Schedule 1; and
- (k) voting exclusion statements are included in Resolution 1 of the Notice.

2.3 Directors recommendation

The Directors unanimously recommend that you vote in favour of Resolutions 1

3. Interpretation

Board means the board of directors of the Company.

Chair means the person who chairs the Meeting.

Company means Veratin Limited ACN 613 404 612.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Maximum Subscription means \$350,000 being the maximum capital raised under the Offer.

Meeting, Extraordinary General Meeting or EGM means the extraordinary general meeting to be held at Unit 1, 14A Hines Road, O'Connor WA 6163 on 24 July 2023 as convened by the accompanying Notice of Meeting.

Notice of Meeting or Notice means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

NSX means the National Stock Exchange of Australia.

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Purpose of the Issue means business strategies to grow sales from Verigrow®, develop new products for the agricultural market, and fund research and development of new products for the cosmetics, nutraceutical and functional foods, chemical and materials industries.

Prospectus means the prospectus lodged by the Company dated 9 May 2023.

Special Resolution means a resolution passed by more than 75% of the votes cast at a general meeting of shareholders.

Supplementary Prospectus means a supplementary prospectus lodged by the Company dated 23 May 2023 to be read together with the Prospectus.

Resolution means a resolution as set out in the Notice of Meeting.

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

Shareholder means a holder of Shares in the Company.

Underwriter means Boulos & Cooper SF Pty Ltd.

Underwriting Agreement means the agreement between the Underwriter and the Company summarised at Schedule 1.

Underwritten Amount means the amount of \$100,000 constituted by 666,667 Shares the Underwriter has agreed to partially underwrite under the Underwriting Agreement.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Ramiz Boulos (**Company Secretary**):

14A Hines Road
O'Connor WA 6163
+61 431 150 538

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Schedule 1 – Summary of the Underwriting Agreement

By an agreement between the Underwriter and the Company (the **Underwriting Agreement**) the Underwriter has agreed to act as underwriter in respect of the Offer. The Underwriter is an entity controlled by Dr Ramiz Boulos, the Executive Chairman of the Company and so a 'related party' of the Company under the Corporations Act.

Under the Underwriting Agreement, the Underwriter has agreed to partially underwrite the Offer to the amount of \$100,000 (the **Underwritten Amount**). Where the Underwriter is required to underwrite the full Underwritten Amount, the Underwriter will be allocated 666,667 Shares in the Company. Apart from any Shares subscribed for under the Underwriting Agreement upon receipt of Shareholder approval, Dr Boulos and his associates are not taking part in the Offer.

No incentive, fee or commission is payable by the Company to the Underwriter for subscribing for the Shares constituted by the Underwritten Amount.

The Underwriter's obligations to subscribe for Shares from the Shortfall is conditional on the Company providing the Underwriter with a written notification that valid Applications and corresponding Application funds of least \$100,000 has been received under the Offer (**Third Party Applications**). Where the funds raised under the Third Party Applications are:

- (a) **Less than \$100,000** – the condition has not been met and the Underwriter is entitled to terminate the Underwriting Agreement. Where the Minimum Subscription has not been achieved, all application monies will be refunded without interest. In these circumstances, it would be appropriate to terminate the Underwriting Agreement;
- (b) **At least \$100,000 up to \$250,000** – the Underwriter will subscribe for the full Underwritten Amount; and
- (c) **More than \$250,000** – the Underwriter will subscribe for that number of Share remaining under the Offer to achieve Maximum Subscription of \$350,000.

The issue of any Shares to the Underwriter pursuant to the Underwriting Agreement is subject to Shareholder approval.

If Shareholder approval is not received the Underwriter will be under no further obligation to subscribe for any Shares or under the Underwriting Agreement generally.