



**Conquest Agri Limited ACN 091 320 464  
(Administrator Appointed)**

**Notice of Annual General Meeting and Explanatory Statement**

**Date: 12 February 2015**

**Time: 10:00am**

**Place: Level 29, 66 Goulburn Street, Sydney NSW**

This Notice of Meeting is dated **15 January 2015**.

**This document is important and requires your immediate attention. Carefully read this document in its entirety and consult your stockbroker, solicitor, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.**

## LETTER TO SHAREHOLDERS

Dear Shareholder

On 5 December 2014, the directors of Conquest Agri Limited (**Conquest** or the **Company**) appointed Robert William Whitton and Brendan James Copeland of William Buck, Level 29, 66 Goulburn Street, Sydney NSW 2000 as administrators of the Company (**Administrator**) pursuant to Section 436A of the Corporations Act.

At a meeting on 7 January 2015, the creditors of the Company approved the deed of company arrangement proposed by the Secured Creditors (**Deed of Company Arrangement**). A copy of the proposed Deed of Company Arrangement can be found on the Company's web page [www.fwaus.com](http://www.fwaus.com) and on [www.asx.com.au](http://www.asx.com.au). Certain material terms of the Deed of Company Arrangement are summarised in the Explanatory Statement. The Deed of Company Arrangement will be executed and come into force prior to this Meeting.

This Notice of Meeting and Explanatory Statement has been prepared by the Administrator (with assistance from the Secured Creditors) and signed by Robert Whitton (in his capacity as a Voluntary Administrator) in accordance with the Deed of Company Arrangement.

The passing of Resolutions 4 and 5 proposed in this Notice of Meeting (together the **DOCA Resolutions**) will enable the Company to satisfy the terms of the proposed Deed of Company Arrangement. Full details in respect of the proposed Resolutions are contained in the attached Notice and Explanatory Statement.

If the DOCA Resolutions are passed, the Company will seek the reinstatement of the quotation of its securities on ASX. At that time the Company will review a number of existing investment opportunities to determine if they are suitable investments for the Company or, alternatively seek alternative investment or acquisition opportunities for the Company.

If any of the DOCA Resolutions are not passed, the Deed of Company Arrangement will either be terminated or varied which may result in the Company being liquidated.

Neither the Administrator, their professional advisers, William Buck or its partners, agents or employees are responsible for the contents of this Notice of Meeting or the Explanatory Statement. The Administrator does not accept any responsibility for any disclosure in or failure to include any disclosure in these documents.

Yours faithfully



Robert Whitton

Administrator

**CONQUEST AGRI LIMITED 091 320 464  
(Administrator Appointed)**

**Notice of Annual General Meeting**

Notice is given that the Annual General Meeting of Shareholders of Conquest Agri Limited ACN 091 320 464 (Administrator Appointed) will be held at the offices of William Buck, Level 29 66 Goulburn Street, Sydney NSW, Sydney at 10:00am on 12 February 2015.

**AGENDA**

The Explanatory Statement that accompanies this Notice of Meeting forms part of this Notice.

**Ordinary Business**

**1 Annual Financial Reports**

To receive and consider:

- (a) the financial statements;
- (b) the Directors' report; and
- (c) the auditor's report,

of the Company for the year ended 30 September 2014.

No resolution is required in respect of this agenda item. However, they provide Shareholders with the opportunity to ask questions of the Directors and the auditor of the Company in relation to the Company's results.

**2 Resolution 1: Adoption of the Remuneration Report**

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

"To adopt the Remuneration Report for the year ended 30 September 2014."

Notes: the vote on this Resolution is advisory only and does not bind the Directors. If 25% or more of votes that are cast are voted against the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Directors (other than the managing director) must stand for re-election.

**Voting Exclusion:** The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:

- (a) a member of the Company's Key Management Personnel; or
- (b) a Closely Related Party of a member of the Company's Key Management Personnel.

unless:

- (c) the person:
  - (i) does so in relation to a resolution where they hold a Directed Proxy Form; or
  - (ii) is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and
- (d) the vote is not cast on behalf of a person described in paragraph (a) and (b) above.

**3 Resolution 2 – Re-election of Matthew Denton as a Director**

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

"That, Matthew Denton, who retires by rotation in accordance with the Constitution, being eligible, is re-elected as a Director of the Company."

**4 Resolution 3 - Election of Steven Cole as a Director**

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

"That, Steven Cole, who retires in accordance with the requirements of the Corporations Act and the Constitution, being eligible, is re-elected as a Director of the Company."

## **Special Business**

### **5 Resolution 4: Issue of Shares to Secured Creditors**

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

"That, subject to and conditional on the approval of Resolutions 5 and 6, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 505,106,529 Shares in the Company, each with an issue price per Share of \$0.002681, on conversion of the Secured Debt and otherwise on terms and conditions detailed in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- (a) a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the Resolution is passed, and any associates of those persons; and
- (b) a person who is to receive Shares in relation to the entity and their associates.

### **6 Resolution 5: Issue of Shares to Unsecured Creditors and Noteholders**

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

"That, subject to and conditional on the approval of Resolution 4 and 6, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 40,000,000 Shares in the Company, each with an issue price of \$0.02, on conversion of the debt owed to the Unsecured Creditors and the Noteholders and otherwise on terms and conditions detailed in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- (a) a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the Resolution is passed, and any associates of those persons; and
- (b) a person who is to receive Shares in relation to the entity and their associates.

### **7 Resolution 6 – Issue of Shares to related parties**

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

"That, subject to and conditional on the approval of Resolution 4 and 5, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 14,930,250 Shares in the Company, each with an issue price of \$0.02, on conversion of the debt owed to Larry Shutes, Matthew Denton (and his associated entities), Steven Cole and Kevin Dart and otherwise on terms and conditions detailed in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- (a) The Directors and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the Resolution is passed, and any associates of those persons; and
- (b) a person who is to receive Shares in relation to the entity and their associates.

### **8 Resolution 7: Ratify prior issue of Shares**

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the ratification of the previous issue of 9,038,698 fully-paid ordinary shares in the capital of the Company on the basis set out in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue.

However, the Company need not disregard a vote on this Resolutions if it is cast by 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.

#### 8.1 **Entitlement to Vote**

Under Corporations Regulation 7.11.37 the Directors have determined that the members eligible to attend and vote at the Meeting are those persons who are registered Shareholders of the Company at 10:00am on 10 February 2015. Accordingly, transfers of any Share registered after that time will be disregarded for determining entitlements to attend and vote at the Meeting.

#### 8.2 **How to Vote**

You may vote in person by attending the Meeting, or by proxy.

To vote in person, you must attend the Meeting at the offices of William Buck, Level 29, 66 Goulburn Street, Sydney NSW at 10:00am on 12 February 2015.

Should you wish to appoint a proxy, please complete the Proxy Form and return it at least 48 hours prior to the Meeting: .

- (a) by delivery to the registered office of the Company, Level 18, 50 Cavill Avenue, Surfers Paradise, QLD 4217; or
- (b) by mail to Conquest Agri Limited, PO Box 40 Surfers Paradise, QLD 4217; or
- (c) by fax to +61 7 5526 8922.

#### 8.3 **Proxies**

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

- (a) each Shareholder entitled to vote at the Meeting has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder;
- (c) 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 no proportional number is specified, each proxy may exercise half of the member's votes; and
- (d) a Shareholder may specify the way in which the proxy is to vote on the Resolutions or may allow the proxy to vote at his discretion. If the way in which a proxy is to vote on a Resolution is specified by a Shareholder, the proxy may not vote on that Resolution except as specified by the Shareholder.

#### 8.4 **Chairman as Proxy**

If the chair of the Meeting is your proxy, then please note the following:

- (a) You may direct the chair to vote for or against or abstain from voting on any particular Resolution by marking the appropriate box on the enclosed proxy form.
- (b) The chair of the Meeting intends to vote undirected proxies in favour of each Resolution.

#### 8.5 **Corporate Representatives**

A body corporate, which is a Shareholder, may appoint an individual (by certificate executed in accordance with section 127 of the Corporations Act or in any other manner satisfactory to the Chairman of the Meeting) as a representative of that body corporate to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be standing.

## EXPLANATORY STATEMENT

This Explanatory Statement is an important document. You should read it carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

This Explanatory Statement has been prepared for the Shareholders of Conquest Agri Limited (Administrator appointed) (**Conquest** or **Company**) in connection with the Annual General Meeting of the Company to be held on 12 February 2015.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that the securities of the Company have been suspended from trading since 5 October 2012.

If Shareholders vote against one or both the DOCA Resolutions, the Deed of Company Arrangement will either be terminated or varied which may result in the Company being liquidated. If the Company is liquidated, it is likely that there would be no return to Shareholders.

To the extent permitted by law, the Administrator do not accept responsibility or liability for any losses or damages of any kind arising out of the use of any of the information contained in these documents.

The Administrator makes no recommendation about how Shareholders should vote on the Resolutions.

## BACKGROUND

On 5 December 2014, the Company was placed into voluntary administration and the Administrator appointed. The Shares of the Company have been suspended from trading on the Official List of the ASX since 5 October 2012.

At the meeting of the creditors held on 7 January 2015, the creditors adopted the Deed of Company Arrangement.

The purpose of this Meeting, in addition to general business of an AGM, is to give effect to the Deed of Company Arrangement.

### 1 Secured Creditors

Refer to section 4.4 of the Second Report to Creditors for details on the loan of \$1,354,173 (**Secured Debt**) made by Charter Pacific Corporation Limited ACN 003 344 287 (**CPC**) to the Company and the security granted by the Company to CPC in respect of the Secured Debt.

In December 2014, CPC assigned its interest in the Secured Debt (and all its rights and obligations in respect of the security which secured the Secured Debt) to Chapmans Limited (**Chapmans**) under a deed of assignment (**Deed of Assignment**). Chapmans entered into the Deed of Assignment solely in its capacity as trustee for the following sophisticated and/or professional investors who, collectively, provided funds to CPC for the initial payment for the transfer of the Secured Debt under the Deed of Assignment:

- (a) General Investment Services Pty Ltd ACN 132 181 867;
- (b) Currandooley Pty Ltd ACN 008 410 295;
- (c) Bantry Holdings Pty Ltd ACN 101 099 987; and
- (d) Inner Glow Holdings Pty Ltd ACN 142 766 096.

The remaining amounts to be paid to CPC under the Deed of Assignment may be provided by the sophisticated investors set out above or by other sophisticated investors. Collectively all of these investors are to be considered the '**Secured Creditors**'.

None of the Secured Creditors are 'associates' of any of the other Secured Creditor for the purposes of the Corporations Act and the ASX Listing Rules and none of the Secured Creditors are 'related parties' of the Company for the purposes of the Corporations Act and the ASX Listing Rules.

### 2 Terms of the Deed of Company Arrangement

A copy of the Deed of Company Arrangement can be found on the Company's web page [www.fwaus.com](http://www.fwaus.com) and on [www.asx.com.au](http://www.asx.com.au). A summary of the material terms of the Deed of Company Arrangement is set out below:

- (a) Deed Fund

A deed fund (**Deed Fund**) will be established to meet the remuneration and expenses of the Administrator. The Deed Fund will include:

- (i) pre-appointment cash at bank monies of the Company recovered by the Administrator;
- (ii) cash amounts recovered into the Company's bank accounts during the voluntary administration of the Company and the Deed of Company Arrangement, including amounts held in the accounts of any wholly owned subsidiaries of the Company;
- (iii) debtor amounts owing to the Company from invoices issued to customers prior to and during the period of administration;
- (iv) amounts owing to the Company in regard to loans to the Company and/or Notes;
- (v) shares in any entity held by the Company, including, but not limited to, shares in Priority One; and
- (vi) any other assets that are realised during the course of the administration and Deed of Company Arrangement.

Any amounts to be included in the Deed Fund are not trust monies.

(b) Conversion of Secured Debt

The Deed of Company Arrangement proposes that the Secured Debt will be converted to Shares in the Company on the basis that for every dollar of the Secured Debt, 373 Shares will be issued to the Secured Creditors, collectively. Each Secured Creditor will receive their respective proportion of the total amount of Shares issued on the conversion of the Secured Debt (to the extent that following the issue, none of the Secured Creditors will have a relevant interest in voting power in the Company of 20% or more).

(c) Convertible notes

The Company issued convertible notes (**Notes**) to the parties set out in the table below (**Noteholder**) in the period since May 2014:

The Company currently holds 69,296,689 shares in Priority One Network Group Limited ACN 149 674 484 (**Priority One**). Priority One is an unlisted public company. The Deed of Company Arrangement proposes that Noteholders will have the election to have amounts owing to them satisfied by one of the following:

- (i) for every dollar of the value of their Notes, 50 Shares will be issued to them; or
- (ii) be transferred shares in Priority One held by the Company on the basis that 50 Priority One shares will be transferred to them for every dollar of the value of their Notes.

The DOCA provides that the Noteholders are permitted to choose one option only, that is, in respect of the amounts owing to them by the Company, they can elect for those amounts to be converted into Shares or Priority One shares, but not both.

Set out in the table below is a summary of the number of Priority One Shares to be transferred, or Shares to be issued (as applicable) to the Noteholders:

| Name of Noteholder                | Value of Notes   | Number of Priority One Shares to be transferred (if elected) | Number of Shares to be issued (if elected) |
|-----------------------------------|------------------|--|--|
| Ezycash International Pty Ltd     | \$25,842         | 1,292,100  | 1,292,100                                  |
| Denise Leslie Hoare               | \$25,842         | 1,292,100  | 1,292,100                                  |
| Gerry Robert O'Sullivan           | \$25,842         | 1,292,100  | 1,292,100                                  |
| George and Marlene Atzemis        | \$52,849         | 2,642,450  | 2,642,450                                  |
| Regency Developments (WA) Pty Ltd | \$343,521        | 17,176,050   | 17,176,050                                 |
| Tower Holdings (WA) Pty Ltd       | \$132,123        | 6,606,150  | 6,606,150                                  |
| <b>Total</b>                      | <b>\$606,019</b> | <b>30,300,950</b>  | <b>30,300,950</b>                          |

If all of Noteholders elect to receive Priority One shares on conversion of the amounts owed to them by the Company, the Company will continue to hold 38,995,739 Priority One shares.

None of the Noteholders, if they elect to receive Priority One shares under the Deed of Company Arrangement, will hold 20% or more of the voting power in Priority One.

(d) Conversion of Unsecured Creditor's admitted claims

The provable debt of all other creditors of the Company (apart from the Secured Creditor and the Noteholders) (each an **Unsecured Creditor** and together the **Unsecured Creditors**) will be converted to Shares in the Company by way of an issue of Shares at the rate of 50 Shares for every dollar of that Unsecured Creditor's admitted claim.

Unlike to Noteholders, the Unsecured Creditors do not have the election to receive Priority One Shares on conversion of their admitted claim.

A list of the Unsecured Creditors, the amount owing by the Company to each of the Unsecured Creditors and the number of Shares they are to be issued on conversion of their debts is set out below.

| Unsecured Creditor                      | Amount of admitted claim | Shares issued on conversion |
|---|--------------------------|-----------------------------|
| ASX Operations                          | \$500                    | 25,000                      |
| Barraket Stanton Lawyers                | \$1,461                  | 73,050                      |
| Computershare Investor Services         | \$1,996                  | 99,800                      |
| JDD Pacific                             | \$50                     | 2,500                       |
| Pitcher Partners                        | \$81,894                 | 4,094,700                   |
| Telstra Corporations Ltd                | \$162                    | 8,100                       |
| Totally Confidential Records Management | \$160                    | 8,000                       |
| <b>Total</b>                            | <b>\$86,223</b>          | <b>4,311,150</b>            |

(e) Creditor's Trust

The Administrator must, on the request of the Secured Creditors, seek the consent of the Unsecured Creditors (subject to the Act) to form a creditors trust. At the date of the meeting, the Secured Creditors have not requested that a creditors trust to be formed.

(f) Priority of Payments

The Deed of Company Arrangement provides that all proceeds recovered by the Administrator must be paid in the priorities prescribed by the Corporations Act.

### 3 The Resolutions

#### 3.1 Financial statements and reports

As required by law, the financial report, Director's report and auditor's report of the Company are laid before the AGM.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports. There is no requirement however for Shareholders to approve the reports.

#### 3.2 Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 September 2014 is set out in the Company's 2014 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for Directors, and the Company's employees. The chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

By law, the Company is required to put the Remuneration Report to a vote by members at the AGM. The vote on the resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the note to Resolution 1.

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of



those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Directors (other than the managing director of the Company) must go up for re-election.

As the Directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how shareholders should vote on the Resolution.

### 3.3 **Resolutions 2 – Re - Election of Matthew Denton**

The Company's constitution provides that at each annual general meeting of the Company, one third of the Directors retire from office but no Director may retain office for more than three years without submitting himself or herself for re-election. Matthew Denton retires in accordance with the Constitution and being eligible, offers himself for re-election.

Matthew Denton's background and experience are set out in the Remuneration Report.

### 3.4 **Resolution 3 – Election of Steven Cole**

Steven Cole was appointed to a casual vacancy on the Board on 6 June 2014. In accordance with the Company's Constitution, the Corporations Act and other statutory requirements, Mr Cole may not hold office past the next annual general meeting of the Company without confirmation by the members.

Steven Cole retires in accordance with the Corporations Act and the Constitution and being eligible, offers himself for re-election.

Steven Cole's background and experience are set out in the Remuneration Report.

### 3.5 **Resolution 4 - Issue of Shares to the Secured Creditors**

Resolution 4 requires Shareholder approval in accordance with ASX Listing Rule 7.1 for the issue of up to 505,106,529 Shares to the Secured Creditors on conversion of the Secured Debt. As set out above, under the Deed of Company Arrangement the Secured Debt will convert into Shares and be extinguished on conversion. The proposed rate of conversion is 373 Shares for every dollar of the Secured Debt.

For the avoidance of doubt, no Shares will be issued to the Secured Creditor under this Resolution if any of the Secured Creditors will have a relevant interest in voting power attached to Shares of 20% or more.

Under ASX Listing Rule 7.1, a listed company must not, without the prior approval of shareholders, issue equity securities if the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of the 12 month period.

Resolution 4 seeks approval by Shareholders of the issue of Shares on conversion of the Secured Debt for the purposes of ASX Listing Rule 7.1 so that the proposed issue does not reduce the Company's future placement capacity under the ASX Listing Rules.

Pursuant to, and in accordance with, ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares in Resolution 4:

- (a) The maximum number of Shares to be issued is 505,106,529 Shares;
- (b) Shares will be issued no later than 3 months after the date of the Meeting. The Shares will not be issued progressively;
- (c) The issue price of the Shares is \$0.002681 per Share;
- (d) The Shares will be issued to the Secured Creditors in the proportion in which they provide the consideration for the Secured Debt. None of the Secured Creditors are associates of each other, nor are any of them related parties of the Company;
- (e) The Shares will be fully paid and will rank equally with all other Shares; and
- (f) No funds will be raised from the issue.

### 3.6 **Resolution 5 - Issue of Shares to Unsecured Creditors and Noteholders**

Resolution 5 requires Shareholder approval in accordance with ASX Listing Rule 7.1 for the issue of up to 40,000,000 Shares to the Unsecured Creditors and the Noteholders (if they elect to do so) on conversion of the amounts owed to them by the Company. No Shares will be issued under this Resolution to any Directors who form part of the Unsecured Creditors. As set out above, under the Deed of Company Arrangement, it was agreed that the debt of the Unsecured Creditor would be converted into Shares and extinguished on conversion. The proposed rate of conversion is 50 Shares to be issued for every dollar of the admitted claim of each Unsecured Creditor. Also, under the Deed of Company Arrangement the Noteholders have the discretion to elect to have the debt owed to each of them by the Company converted into Shares and extinguished on conversion. The proposed rate of conversion is 50 Shares to be issued for every dollar of the admitted claim of each Noteholder. Refer to section 2(c) of the Explanatory

Memorandum for additional information on the discretion afforded to the Noteholders under the Deed of Company Arrangement.

The Second Report to Creditors state that the total known amount owing to the Unsecured Creditors and the Noteholders at the date of the Meeting is \$734,730 (**Known Amount**).

### ASX Listing Rule 7.1

Under ASX Listing Rule 7.1, a listed company must not, without the prior approval of shareholders, issue equity securities if the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of the 12 month period.

Resolution 5 seeks approval by Shareholders of the issue of Shares on conversion of the admitted claims of the Unsecured Creditors and Noteholders for the purposes of ASX Listing Rule 7.1 so that the proposed issue does not reduce the Company's future placement capacity under the ASX Listing Rules. In addition, the Company is seeking Shareholder approval for the issue of a further \$65,000 worth of Shares (on the 50 Shares for each dollar owed basis) in the event that the final admitted claims of the Unsecured Creditors and the Noteholders exceeds the Known Amount.

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

- (a) The maximum number of Shares to be issued is 40,000,000 Shares.
- (b) Shares will be issued no later than 3 months after the date of the Meeting. The Shares will not be issued progressively.
- (c) The issue price of the Shares is \$0.02 per Share
- (d) The Shares will be issued to the Unsecured Creditors and the Noteholders (if they exercise their discretion to receive Shares), none of which are associates of each other nor related parties of the Company. Each of the Unsecured Creditors and Noteholders are professional and/or sophisticated investors for the purposes of the Corporations Act; and
- (e) The Shares will be fully paid and will rank equally with all other Shares; and
- (f) No funds will be raised from the issue.

### 3.7 Resolution 6 – Issue of Shares to Directors

The Deed of Company Arrangement proposes that the admitted claims of the Directors (both current and former) will be treated in the same way as the admitted claims of the Unsecured Creditors. That is, 50 Shares in the Company will be issued for every dollar of their respective admitted claims.

Set out below is a table summarising the admitted claims of each of the Directors and the proposed issue of Shares to them on conversion of those claims:

| Name of Director  | Admitted claims  | Number of Shares to be issued |
|---|------------------|-------------------------------|
| Larry Shutes  | \$115,604        | 5,780,200                     |
| Matthew Denton (which includes amounts owing to his associate, Supro Solutions Pty Ltd) | \$105,932        | 5,296,600                     |
| Steven Cole   | \$16,504         | 825,200                       |
| Kevin Dart  | \$60,565         | 3,028,250                     |
| <b>Total</b>  | <b>\$298,605</b> | <b>14,930,250</b>             |

## Chapter 2E of the Corporations Act

For a public company, or an entity that a 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 221 to 227 of the Corporations Act; and
  - (i) give the benefit within 15 months following such approval,
  - (ii) unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 apply.

A 'financial benefit' for the purposes of the Corporations Act also has a wide meaning and catches the issue of Shares to Directors.

Consequently, the issue of the Shares to the Directors (in their capacities as either an Unsecured Creditor or Noteholder) on conversion of their admitted claim, will for the purposes of Chapter 2E of the Corporations Act, constitute giving a financial benefit to related parties of the Company.

It is noted that the basis of conversion of the debts owing to the Directors is as per the Deed of Company Arrangement negotiated with the Administrator and will be the same as that payable by other investors and as such is considered to be on arms' length terms.

It is the view of the Administrator that the giving of the financial benefit to the Directors is on reasonable arm's length terms and falls within the exception in section 210 of the Corporations Act. Accordingly, shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

### **ASX Listing Rule 10.11**

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 grant of the securities in this case involves the issue of securities 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.

Approval of the issue to the Directors will allow the issue to take place without using the 15% annual placement capacity. Pursuant to and in accordance with ASX Listing Rule 10.13, the following additional information is provided in relation to the issue of the Shares and Options to the Directors:

- (a) the Company will issue the Shares no later than 1 month after this Meeting;
- (b) The Shares will be issued at a price of \$0.02 per Share;
- (c) The Shares will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of the Constitution;
- (d) No funds will be raised from the issue of the Shares, as they will be issued on conversion of the admitted claims of the Directors, in their capacities as either an Unsecured Creditor or a Noteholder.
- (e) In the Administrator's opinion there is no other information that"
  - (i) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of the Administrator at the time of issue of this statement; and
  - (ii) has not previously been disclosed to the Shareholders of the Company, other than the information set out in this Notice.

### **3.8 Resolution 7 – Ratification of prior issue**

The ASX Listing Rules restrict the number of securities, (securities includes but is not limited to Options and Shares), which a listed company may issue in any 12 month period without the approval of shareholders to 15% of the number of securities on issue at the start of the period subject to certain adjustments and permitted exceptions.

This Resolution seeks Shareholder approval to the previous issue of Shares for the purposes of Listing Rule 7.4. The purpose of seeking shareholder approval of the issue of Shares in this Resolution is to ensure that the previous issue does not reduce the Company's placement capacity under the Listing Rules.

Listing Rule 7.1 empowers the Company to issue securities equal to 15% of its issued capital every twelve months. A special resolution of the Company's shareholders made pursuant to Listing Rule 7.1A at the 2012 Annual General Meeting provided the Company with additional placement capacity equal to a further 10% of its issued capital.

As announced to ASX in April 2014, the Company acquired 69,296,689 Priority One Shares from Centurion Securities Investment Services Pty Ltd (**Centurion**). In consideration for the acquisition, the Company issued 9,038,698 Shares to Centurion. At the time of issue, the 9,038,698 Shares issued constituted 15% of the Company's capital.

Under this Resolution, Shareholder approval of 9,038,698 Shares is being sought. Should Shareholder approval of this Resolution be obtained, it will provide the Company with placement capacity up to 15% of the Company's capital immediately upon such approval.

The shares issued requiring approval by this Resolution rank equally with all shares currently on issue.

The Shares were issued as consideration for the 69,296,689 Priority One shares acquired by the Company from Centurion. No funds were raised from the issue.

## 4 GLOSSARY

**AGM** means the annual general meeting of the Company.

**Administrator** mean Robert William Whitton and Brendan James Copeland of William Buck.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means Australian Stock Exchange Limited ACN 008 624 691.

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

**Board** means the board of Directors.

**Centurion** has the meaning set out in section 3.8 of the Explanatory Statement.

**Chapmans** means Chapman Limited ACN 000 012 386.

**Closely Related Party** means the closely related parties of Key Management Personnel as defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

**Company** or **Conquest** means Conquest Agri Limited ACN 091 320 464 (Administrator appointed).

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

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

**CPC** means Charter Pacific Corporation Limited ACN 003 344 287.

**Deed Fund** has the meaning set out in section 2(a) of the Explanatory Statement.

**Deed of Assignment** has the meaning set out in section 1 of the Explanatory Statement.

**Deed of Company Arrangement** means the deed of company arrangement in respect of the Company, a copy of which can be found on the Company's web page [www.fwaus.com](http://www.fwaus.com) and on [www.asx.com.au](http://www.asx.com.au).

**Directed Proxy Form** means a proxy form which specifies how a proxy is to vote.

**Directors** mean the directors of the Company.

**DOCA Resolutions** means Resolution 4 and Resolution 5.

**Explanatory Statement** means the explanatory statement to the Statement.

**Key Management Personnel** of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 September 2014.

**Known Amount** has the meaning set out in section 3.8 of the Explanatory Statement.

**Meeting** means the Extraordinary General Meeting of Shareholders convened by the Notice.

**Noteholder** has the meaning set out in section 2(c) of the Explanatory Statement.

**Notes** have the meaning set out in section 2(c) of the Explanatory Statement.

**Notice** or **Notice of Meeting** means the notice of Extraordinary General Meeting accompanying this Statement.

**Official List** means the official list of ASX.

**Priority One** means Priority One Network Group Limited ACN 149 674 484.

**Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution** means a resolution contained in the Notice.

**Second Report to Creditors** means the Administrator's second report to creditors of the Company, dated 23 December 2014, issued pursuant to section 439A of the Corporations Act.

**Secured Creditors** has the meaning set out in section 1 of the Explanatory Statement.

**Secured Debt** has the meaning set out in section 1 of the Explanatory Statement.

**Shareholders** mean holders of Shares.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Undirected Proxy Form** means a proxy form which does not specify how the proxy is to vote.

**Unsecured Creditors** have the meaning set out in section 2(d) of the Explanatory Statement.

## PROXY FORM

The Company Secretary  
Conquest Agri Limited

**By delivery:**  
Level 18  
50 Cavill Avenue  
SURFERS PARADISE QLD 4217

**By post:**  
PO Box 40  
SURFERS PARADISE QLD 4217

**By facsimile:**  
(07) 5526 8922

**Name of  
Shareholder:**

**Address of  
Shareholder:**

**Number of Shares  
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

### Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

**The Chairman of  
the Meeting  
(mark box)**

☐

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman to be held at the Level 29, 66 Goulburn Street, Sydney NSW 2000 on Thursday 12 February 2015 at 10.00am, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit).

If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

### Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1 if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### Step 2 – Instructions as to Voting on Resolutions

#### INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

|                     |  | For                      | Against                  | Abstain                  |
|---------------------|--|--------------------------|--------------------------|--------------------------|
| <b>Resolution 1</b> | Remuneration Report                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2</b> | Re-election of Matthew Denton as a Director            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3</b> | Election of Steven Cole as a Director                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 4</b> | Issue of Shares to Secured Creditors                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 5</b> | Issue of Shares to Unsecured Creditors and Noteholders | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 6</b> | Issue of Shares to related parties                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 7</b> | Ratify prior issue of Shares                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Authorised signature/s** This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.**

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

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<sup>1</sup>Insert name and address of Shareholder <sup>2</sup> Insert name and address of proxy \*Omit if not applicable

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

**Joint Holding:** where the holding is in more than one name all of the holders must sign.

**Power of Attorney:** if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

**Companies:** a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting.

**Hand deliveries:** Conquest Agri Limited , Level 18, 50 Cavill Avenue, Surfers Paradise Qld 4217.

**Postal address:** Conquest Agri Limited PO Box 40, Surfers Paradise Qld 4217

**Facsimile:** (07) 5526 8922; if faxed from within Australia or +617 5526 8922; if faxed from outside Australia.