



31 August 2021

Dear Shareholders

Pental Limited General Meeting

The Notice of General Meeting of Pental Limited (**Pental** or **the Company**) to be held by videoconference on 30 September 2021 at 11.00 am Melbourne time is now available at <http://www.pental.com.au/investors/reports/>

Safety of our shareholders and staff is our paramount concern. With the COVID 19 pandemic resulting in ongoing health concerns and government restrictions on gatherings and travel, we will hold the meeting by way of live video conference. There will be no physical meeting. Shareholders who wish to participate in the General Meeting online may do so from their computer, tablet or smartphone by entering the URL into their browser: <https://web.lumiagm.com/353598562>

If you choose to participate in the General Meeting online, you can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (VAC), which can be located on the first page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760.

All decisions at the meeting will be determined by poll. This will be carried out online and you will be able to cast votes at the appropriate times whilst the meeting is in progress. There will also be an opportunity to submit questions during the meeting. Shareholders are strongly encouraged to lodge a proxy form to vote at the General Meeting at least 48 hours before the meeting. A proxy form is enclosed.

Yours sincerely

A handwritten signature in black ink, appearing to read "Oliver Carton".

Oliver Carton
Company Secretary

PENTAL LIMITED
ABN 29 091 035 353
NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of the members of Pental Limited (**Pental or Company**) will be held by videoconference, at 11.00 am AEST on 30 September 2021.

BUSINESS

RESOLUTION 1 – RATIFICATION OF ISSUE OF CONSIDERATION SECURITIES

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

“That for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company under ASX Listing Rule 7.1 of the Consideration Securities to the recipients as set out in Section 1.3 of the Explanatory Statement.”

Short Explanation

On 20 August 2021 the Company announced it had entered into an agreement to acquire the Hampers with Bite business, the consideration for which comprises a combination of cash and shares, including the Consideration Securities. This resolution is to seek ratification of the issue of the Consideration Securities for the purposes of ASX Listing Rule 7.4. Shareholders are able to ratify shares issued during the year by the Company under its placement capacity under Listing Rule 7.1. The effect of that ratification is to re-set that placement capacity.

Capitalised terms in this Notice of Meeting are defined in the Explanatory Statement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the Consideration Securities issues, or any associates of that person. However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES

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

“That for the purposes of ASX Listing Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company under ASX Listing Rule 7.1 of the Shares to the recipients as set out in Section 3.1 of the Explanatory Statement.”

Short Explanation

On 20 August 2021, in conjunction with announcing the Acquisition, the Company announced a capital raising program comprising:

- The Tranche 1 Placement;
- The Tranche 2 Placement; and
- The SPP.

This resolution seeks ratification of the issue of shares under the Tranche 1 Placement. Shareholders are able to ratify shares issued during the year by the Company under its placement capacity under Listing Rule 7.1. The effect of that ratification is to re-set that placement capacity.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who participated in the Securities issues, or any associates of that person. However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of Shares as referred to in Section 4.1 of the Explanatory Statement, is approved.”

Short Explanation

As stated above, on 20 August 2021 the Company announced the capital raising program. This resolution seeks approval to issue shares under the Tranche 2 Placement.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by the recipients of the securities, or any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, or any associates of those persons.

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

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES TO DIRECTORS

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

- 4.1 *“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Shares to Mark Hardgrave or their nominee, as referred to in the Explanatory Statement, is approved.”*
- 4.2 *“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Shares to Jeff Miciulis or their nominee, as referred to in the Explanatory Statement, is approved.”*
- 4.3 *“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Shares to Fred Harrison or their nominee, as referred to in the Explanatory Statement, is approved.”*
- 4.4 *“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Shares to Charlie McLeish or their nominee, as referred to in the Explanatory Statement, is approved.”*

Short Explanation

The Directors of the Company named above (Placement Directors) wished to participate in the Tranche 1 Placement up to the amounts set out in the Explanatory Statement. The Placement Directors are related parties to the Company and therefore the issue of the Shares requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 4 will be to allow the Company to issue the Shares to the Placement Directors without using the Company’s 15% annual placement capacity.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a Placement Director, any other person who will receive a material benefit as a result of the issue of the Shares, except a benefit solely by reason of being a holder of fully paid ordinary securities of the Company, or an associate of those persons.

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

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel (KMP); or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not excluded from voting, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

RESOLUTION 5 – APPROVAL OF GIVING OF FINANCIAL ASSISTANCE

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

That, for the purposes of section 260A and 260B of the Corporations Act 2001 (Cth) (Corporations Act), the shareholders of Pental approve the provision of financial assistance proposed to be given by Hampers with Bite Pty. Ltd. ACN 131 910 613 (HWB) for the purpose of, or in connection with, the acquisition of all the issued securities in HWB, by way of a share sale agreement, by the Company, and all elements of that transaction that may constitute financial assistance by HWB for the purposes of the Corporations Act in connection with the acquisition (as described in Item 1.1 of the explanatory statement accompanying and forming part of the Notice of General Meeting which gave notice of this resolution), including the entry into delivery and performance of all documents and transactions in connection with the accession of HWB to facilities between the Company and the Commonwealth Bank of Australia and the granting of guarantees and security by HWB in connection with the same. In this resolution a reference to any document in this resolution is the document as amended, restated or replaced from time to time.'

Note: This is a special resolution and for it to be passed, at least 75% of the votes validly cast on the resolution must be in favour of the resolution.

Short Explanation

This item seeks the approval of the Company's shareholders under section 260B(2) of the Corporations Act for the provision of financial assistance, proposed to be given by HWB in connection with the acquisition by the Company of all of the issued securities in HWB, by way of a share sale agreement, largely comprised of HWB acceding to the Company's banking facilities with the Commonwealth Bank of Australia (CBA) and granting guarantees and security in favour of CBA in connection with the same.

Voting Exclusion Statement

There are no voting restrictions on this resolution.

By order of the Board:



Oliver Carton
Company secretary
Dated: 31 August 2021

NOTES

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

1. A Member entitled to attend and vote at the General Meeting has the right to appoint a person (who does not need to be a Member) as the Member's proxy to attend and vote at the meeting.
2. A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise one half of the Member's votes.
3. The proxy form must be signed by the Member or the Member's attorney. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.
4. To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged:
 - a) at the offices of the Share Registry – Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001;
 - b) by faxing it to the Share Registry office on fax number (02) 9290 9655;
 - c) online: <https://www.votingonline.com.au/ptlqm2021>

not later than 48 hours before the time for commencement of the meeting being **11.00 am AEST on 30 September 2021.**

5. A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
6. Amendments to the Corporations Act were made which apply to proxy voting. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:
 - (a) if proxy holders vote, they must cast all directed proxies as directed; and
 - (b) any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote as the proxies as directed.
7. A proxy form accompanies this Notice of Meeting.
8. The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
10. The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.

11. A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Act or Power of Attorney only if a copy of that duly executed appointment or Power of Attorney is lodged with the Share Registry or produced prior to the commencement of the meeting.
12. The Company has determined that a person's entitlement to vote at the General Meeting will, in accordance with the Corporations Act, be the entitlement of that person set out in the register of Shareholders as at 7:00 pm AEST 28 September 2021. This means that any Shareholder registered at 7:00 pm AEST on 28 September 2021 is entitled to attend and vote at the General Meeting.
13. Shareholders or their attorneys wishing to vote in person should attend the virtual General Meeting.
14. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting, unless it had already been provided to the Share Registry.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the General Meeting.

1 ACQUISITION OF HAMPERS WITH BITE

1.1 Background

As announced to ASX on 20 August 2021, the Company has entered into a binding agreement (**Acquisition Agreement**) to acquire Hampers with Bite Pty Ltd (ACN 131 910 613) (**HWB**) (**Acquisition**). Completion of the Acquisition is expected to occur in mid September 2021.

1.2 Overview of HWB and rationale for the Acquisition

HWB is an Australian online retail business for a wide range of premium gifts and food and wine hampers delivered within Australia. It was founded in 2004 by brothers Rory Boyle and Nicholas Boyle (together the **Vendors**). HWB offers customers the ability to build custom hampers from over 200 products or purchase one of HWB's predesigned hampers online. HWB runs both a business to business (B2B) and business to consumer (B2C) model. It has an extensive customer database and HWB's own branded label products make up more than 60% of the product range, with this share targeted to rise to 80% by Christmas 2021.

HWB has grown from an approximately \$10M revenue business in FY19 to an approximately \$24 M revenue business in FY21, with HWB delivering an EBIT of approximately \$5M and an estimated gross profit margin of approximately 58% for FY21 (based on unaudited FY21 financials provided by HWB).

In addition to increasing Pental's net sales and gross profit margin, the Acquisition diversifies Pental's sales channels and fast tracks the Company's e-commerce growth strategy to decrease reliance on supermarket retail. The Acquisition will allow Pental to leverage HWB's e-commerce expertise and enhance the Company's direct-to-consumer distribution capabilities. Pental's existing products and bundle packs will be cross-sold through HWB's online sales platform and HWB's new product development capabilities will be combined with Pental's new product R&D function to create new offerings.

Under the Acquisition Agreement, Pental will, via a 100% owned subsidiary, acquire all of the HWB issued shares from the Vendors.

1.3 Consideration for Acquisition

Under the Acquisition Agreement, the purchase price for HWB is the aggregate of:

- initial consideration payable in cash and Shares (**Initial Consideration**); and
- a potential earn out payment, payable in cash and/or Shares, based on the performance of HWB in FY22 (**Earn Out Consideration**),

as described in further detail below. The maximum total consideration payable to the Vendors in Shares and cash is \$28.3M.

The Initial Consideration includes:

- \$21.3M in cash payable at completion of the Acquisition, which amount is subject to working capital adjustments; and
- \$3.0M of ordinary fully paid Pental Shares (**Consideration Securities**) to be issued at completion of the Acquisition to the Vendors or their nominees.

A total of 6,666,667 Consideration Securities will be issued and allotted on completion of the Acquisition at a fixed issue price of \$0.45 per share (being the VWAP of Pental shares during the 5 trading days before the Acquisition was announced to ASX). The Consideration Securities will rank equally with other Shares on issue.

Earn Out Consideration will be paid to the Vendors of up to \$4.0M, subject to HWB achieving \$6.3M in EBIT for the financial year ending 30 June 2022 (**Earn Out Period**). The Earn Out Consideration will be paid in cash and/or Shares as agreed between the Vendors and the Company at the time of determining the amount payable (if any). Any Shares to be issued as part of the Earn Out Consideration are not the subject of approval under Resolution 1.

All Consideration Securities issued to the Vendors or their nominees are subject to a voluntary escrow period until expiry of the Earn Out Period, but the Vendors or their nominees (as applicable) will be entitled to exercise all voting rights and receive any dividends that are declared in respect of the Shares.

1.4 Impact on capital structure of Pental

The impact of the Acquisition and the associated capital raising program described in this notice on the issued capital of Pental will be as follows:

	Number of Shares	Proportion of Shares
Shares on issue prior to the announcement of the Acquisition and the associated capital raising program	136,250,633	85.85
Tranche 1 Placement Shares issued on 30 August 2021 – Resolution 2	13,770,928	8.68
Consideration Securities to be issued to Vendors or their nominees on completion of Acquisition – Resolution 1	6,666,667	4.20
Tranche 2 Placement Shares to be issued – Resolution 3	2,018,547	1.27
Total Shares on issue if Resolution 3 is passed	158,706,775	100%

Note: this table does not include the impact of the SPP that is part of the capital raising program

2 RESOLUTION 1 – RATIFICATION OF ISSUE OF CONSIDERATION SECURITIES

2.1. ASX Listing Rule 7.4

The Board is allowed to issue or agree to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1.

Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of ASX Listing Rule 7.1, and, if given, the effect of the ratification is to deem that the securities issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

If shareholder approval is not given, the Consideration Securities will count in calculating the Company's 15% limit, thereby decreasing the number of Equity Securities it can issue in the 12 months following the issue date.

If Resolution 1 is passed, the issue of the Consideration Securities 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.

2.2 ASX Listing Rule requirements for Resolution 1

(a) ASX Listing Rule 7.4

ASX Listing Rule 7.4 enables the Company to ratify an issue of securities made without prior Shareholder approval under ASX Listing Rule 7.1 if:

- i. the issue of securities did not breach ASX Listing Rule 7.1; and
- ii. Shareholders subsequently approve the issue of those securities by the Company.

The Consideration Securities issued did not breach ASX Listing Rule 7.1.

(b) Technical information required by ASX Listing Rule 7.4

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

- i the number of Consideration Securities issued is set out in section 1.3;
- ii the issue price of the Consideration Securities and date of issue is set out in section 1.3;
- iii the consideration received is the acquisition of HWB;
- iv no funds were raised from the issue of the Consideration Securities;
- v the terms of the Consideration Securities were as set out in section 1.3;
- vi the names of the entities to whom the Company issued the Consideration Securities are set out in section 1.3;
- vii the material terms of the agreement under which the Consideration Securities were issued are set out in section 1.3;
- viii a voting exclusion statement is included in the Notice of Meeting.

2.3 Recommendation of directors

The Directors do not have any material interest in the Acquisition and outcome of Resolution 1 other than as a result of their interest arising solely in the capacity of Shareholders of the Company. All Directors recommend that Shareholders vote in favour of Resolution 1 given the rationale for the Acquisition set out in section 1.2 above.

3 RESOLUTION 2 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SECURITIES

3.1 Background

As explained above, under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue of securities made within the limit of ASX Listing Rule 7.1 such that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

If shareholder approval is not given, the Equity Securities set out in Table 1 of Schedule 1 will count in calculating the Company's 15% limit, thereby decreasing the number of Equity Securities it can issue in the 12 months following the issue dates.

On 20 August 2021, in conjunction with announcing the Acquisition, the Company announced a capital raising program comprising:

- Placement of 13.8M Shares to raise \$5.2M (Tranche 1 Placement);
- Placement of 2.0M Shares to raise \$0.8M (Tranche 2 Placement and Placement Director Shares);
- Share Purchase Plan to raise up to \$2.0M (SPP).

As stated in the announcement dated 20 August 2021, Pental intends to use the proceeds from the capital raising program to fund: the cash consideration of the Acquisition, transaction costs and working capital.

The securities the subject of this resolution are the Tranche 1 Placement Securities as set out in Table 1 to Schedule 1.

If Resolution 2 is passed, the issue of the Tranche 1 Placement Securities 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.

3.2 Terms of Securities

The Tranche 1 Placement Securities issued were Shares ranking equally with other Shares on issue.

3.3 ASX Listing Rule requirements for Resolution 2

(a) ASX Listing Rule 7.4

As stated, ASX Listing Rule 7.4 enables the Company to ratify an issue of securities made without prior Shareholder approval under ASX Listing Rule 7.1 if:

- i. the issue of securities did not breach ASX Listing Rule 7.1; and
- ii. Shareholders subsequently approve the issue of those securities by the Company.

The securities issued did not breach ASX Listing Rule 7.1.

(b) Technical information required by ASX Listing Rule 7.4

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

- i the number of Securities issued is set out in Table 1 Schedule 1;
- ii the issue price of the Securities and date of issue was as set out in Table 1 Schedule 1;
- iii the terms of the Securities were as set out in section 3.2;
- iv the names of the persons to whom the Company issued the Securities were as set out in Table 1 Schedule 1;
- v the funds raised from the issue of the Securities were used for the purposes set out in section 3.1;
- vi a voting exclusion statement is included in the Notice of Meeting.

3.4 Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SECURITIES

4.1 General

The Company seeks approval to issue the Tranche 2 Placement Securities set out in Table 2 of Schedule 1.

As stated in section 3.1, the Company has announced a capital raising program, including the Tranche 2 Placement Securities. The purposes of the capital raising program are as set out in that section.

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

The effect of this Resolution 3 will be to allow the Company to issue the Tranche 2 Placement Securities during the period of 3 months after this meeting, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Resolution 3 is not approved, the Company will only be able to issue the Tranche 2 Placement Securities when it can do so using its placement capacity under ASX Listing Rule 7.1. This is dependant on Shareholders approving Resolutions 1 and 2.

4.2 ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3 and the issue of the Tranche 2 Placement Securities:

- (a) The maximum number of Securities to be issued is 943,592.
- (b) Consideration is \$0.38 per Share.
- (c) The Shares will be issued to the recipients within 3 months of the date of this meeting.
- (d) \$0.36M will be raised from the issue of the Shares.
- (e) The funds raised from the issue of the Shares will be used for the purposes set out in section 3.1.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) The Securities will be ordinary fully paid Shares that will rank equally with other Shares on issue.

4.3 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS

4.1 General

The Company proposes, subject to obtaining Shareholder approval, to issue the following Shares to the Placement Directors, on the terms as set out in this Notice and Explanatory Statement.

Table 1

Name	\$ value	Number of Shares
Mark Hardgrave	\$100,000	263,158
Jeff Miciulis	\$76,000	200,000
Fred Harrison	\$75,000	197,368
Charlie McLeish	\$30,000	78,948

4.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), shareholder approval must be obtained where an entity issues equity securities to a related party. The Placement Directors are related parties of the Company by virtue of being Directors of the Company.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Shares.

<i>The names of the persons</i>	The Placement Directors
<i>Which category of Rules 10.14.1 – 10.14.3 the persons fall within and why</i>	Category 10.14.1 as Directors

<i>The number of securities proposed to be issued to the persons under the scheme for which approval is being sought, which may be expressed as a maximum number or formula</i>	See Table 1
<i>A summary of the material terms of the securities</i>	The Shares that will rank equally with other Shares on issue
<i>The date on which the securities will be issued</i>	The Shares will be issued within 1 month of the date of this meeting
<i>The price or other consideration the Company will receive for the issue</i>	\$0.38 per Share.
<i>The purpose of the issue, including the intended use of any funds raised</i>	The purpose is to allow the Placement Directors to participate in the First Tranche Placement
<i>If the person is a Director, the current remuneration of that person</i>	The current annual remuneration for each Placement Director is described on page 16 of the FY2021 Annual Report lodged with ASX on 23 August 2021 and is: Mark Hardgrave - \$120,000 Jeff Miciulis - \$80,000 Fred Harrison - \$80,000 Charlie McLeish base salary \$500,000, bonus \$208, 427
<i>If the securities are issued under an agreement, a summary of the material terms of the agreement</i>	Not applicable

4.3 Section 208 of the Corporations Act

Section 208 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 24 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 grant of the Shares constitutes giving a financial benefit and the Placement Directors are related parties of the Company. One of the exceptions to section 208 is that the giving of the benefit is on or better than arms length terms, and is reasonable in the circumstances of the Company. The terms of the issue of Shares to the Placement Directors is the same as the issue of Shares under the First and Second Tranche Placements and SPP, and are therefore at arms length. The issue of Shares is in the best interest of the Company as it aligns the interests of the Placement Directors with other Shareholders, and demonstrates support by the Placement Directors for the HWB acquisition.

4.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of Resolution 4 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

4.5 Board recommendation

The Directors other than Mark Hardgrave recommend that Shareholders vote in favour of Resolution 4.1. The Chair intends to vote undirected proxies in favour of it.

The Directors other than Jeff Miciulis recommend that Shareholders vote in favour of Resolution 4.2. The Chair intends to vote undirected proxies in favour of it.

The Directors other than Fred Harrison recommend that Shareholders vote in favour of Resolution 4.3. The Chair intends to vote undirected proxies in favour of it.

The Directors other than Charlie McLeish recommend that Shareholders vote in favour of Resolution 4.4. The Chair intends to vote undirected proxies in favour of it.

RESOLUTION 5 – APPROVAL OF GIVING OF FINANCIAL ASSISTANCE

5.1 Restrictions on companies providing financial assistance

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

A company may be regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help. The term 'financial assistance' has no technical meaning and requires an examination of the commercial realities of the relevant transaction. Common examples of financial assistance include issuing a debenture, giving security over a company's assets, and giving a guarantee or indemnity in respect of another person's liabilities.

5.2 The financial assistance

As part of the Acquisition, the Company has arranged term facilities of approximately \$16,600,000 (including working capital and ancillary credit support facilities) under a facilities agreement between the Company, Pental Products Pty Ltd ACN 103 213 467 and the Commonwealth Bank of Australia ABN 61 814 236 264 (**Facility Agreement**).

As a condition subsequent to the provision of financial accommodation under the Facility Agreement and in order to secure and regulate the obligations of HWB and any applicable subsidiary or related entity of it in relation to the finance facilities, HWB is required to:

- (a) accede to, the Facility Agreement as a guarantor and borrower by way of executing a facility amendment deed;
- (b) give an interlocking guarantee and indemnity (which may be contained in the Facility Agreement) for the repayment of money that may become owing, and to secure (among other things) each obligor's obligations, under the Facility Agreement and any related document;
- (c) to secure its obligations under the Facility Agreement (including the guarantee and indemnity) and any related document:
 - (i) execute a general security agreement or agreements (however described) over its assets and undertaking;
 - (ii) if required under the Facility Agreement, execute a registrable right of entry over its real property interests (if any); and
- (c) execute, or accede to, any document ancillary to, or in connection with, the Facility Agreement and any guarantee, indemnity or security interest given in connection with, or ancillary to, the Facility Agreement and any related document,

(the **Finance Documents**).

HWB has also arranged, or may arrange, refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future, from time to time. In order to secure and regulate the obligations of HWB and any applicable subsidiary or related entity of it in relation to new financing facilities, HWB may, from time to time:

- (a) execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facility Agreement; or
 - (ii) on terms approved by the board or members (or both) at the relevant time;
- (b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, general security agreement (however described), specific security agreement (however described) or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and

- (c) execute, or accede to, any document in connection with, or ancillary to, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any related document.

HWB's obligations under each Finance Document are significant. Those obligations could include:

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time;
- (b) indemnifying each Finance Party and other parties against any liability, loss or cost incurred by them under, or in connection with, the Finance Documents; and
- (c) giving security interests over its assets to secure its obligations and the obligations of the Company or any applicable subsidiary or related entity of it under the Finance Documents from time to time.

Entering into, and performing obligations under, the Finance Documents will constitute financial assistance and requires the prior approval of members.

5.3 Effect of the financial assistance

The giving of the guarantee and indemnity and any security in connection with the finance facilities, may impact on HWB's ability to borrow money in the future, and it is possible that this could materially prejudice the interests of the Company and its shareholders. This is because a lender may be deterred by the existence of the Finance Documents from making finance facilities available to the Company. However, representatives of the new ultimate shareholders of HWB participated in negotiations relating to the acquisition of the shares, including in relation to the Company (and the other related companies) entering into the Finance Documents, and have agreed to those arrangements because they believe them to be in their best interests.

The assessment of material prejudice, including HWB's ability to pay its creditors, embraces the whole transaction and so brings into account its immediate consequences in terms of determining whether there is a material prejudice. The assessment of material prejudice has quantitative and qualitative elements.

The quantitative element involves an assessment of the impact of the Finance Documents on HWB's balance sheet, future profits and future cash flows. The prejudice to HWB's ability to pay its creditors relates to the guarantees and indemnities and security interests to be provided by HWB under the Finance Documents. If the Company or any applicable subsidiary or related entity of it defaults under the Finance Documents, any one or more of the Finance Parties may decide to make a demand under the Finance Documents (including by a call on a guarantee and indemnity or enforcement of security given by HWB (or both)). Accordingly, HWB will be liable for the default of the Company or any applicable subsidiary or related entity of it under the Finance Documents.

The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The directors of HWB consider that the acquisition of the shares by the Company is to the benefit of HWB and promotes the interests of HWB. This is on the basis that HWB will inherit committed shareholders who will be focussed on the performance of HWB and its business, and will be able to utilise the skills, products and know-how of Pental in retail sales.

The directors of HWB do not currently have any reason to believe that the Company (or any applicable subsidiary or related entity of it) is likely to default in its obligations under the Finance Documents.

However, if a Finance Party becomes entitled to enforce any of its rights under a Finance Document because the Company or any applicable subsidiary or related entity of it defaults, the enforcement may materially prejudice the interests of HWB or its shareholders. On enforcement, among other rights, a Finance Party may become entitled to procure the sale of the assets of HWB. The sale of assets on enforcement may yield a return to HWB (and ultimately its shareholders) significantly lower than could have been achieved by HWB had those assets been otherwise sold. This may materially prejudice the interests of HWB and its shareholders.

Accordingly, the directors have decided to refer the proposal to shareholders for approval under section 260B of the Corporations Act in light of the guarantee, indemnity and security that is to be provided by HWB under the Finance Documents.

5.4 Shareholder approval of financial assistance

Under section 260B(1)(b) of the Corporations Act, shareholder approval for financial assistance by the company must be given by:

- (a) a special resolution passed at a general meeting of the company; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders of the Company.

In addition, if the company will be a subsidiary of a listed domestic corporation (such corporation being the Listed Holding Company) immediately after the transaction, then the financial assistance must also be approved by a special resolution passed at a general meeting of the Listed Holding Company pursuant to section 260(B) of the Corporations Act.

In this case, the Company will be, on completion of the Acquisition Agreement, the Listed Holding Company of HWB.

5.5 Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

‘ASX’ means ASX Limited.

‘ASX Listing Rules’ means the listing rules of ASX.

‘Board’ means the board of directors of the Company.

‘Company’, ‘Pental or ‘PTL’ means Pental Limited.

‘Corporations Act’ means Corporations Act 2001 (Cth).

‘Director’ means a current director of the Company.

‘Explanatory Statement’ means the explanatory statement to this notice of general meeting.

‘Meeting’ means the General Meeting of the Shareholders of the Company to be held at 11:00am (Melbourne time) on 30 September 2021, to which this Notice of Meeting and Explanatory Statement relate.

‘Notice of Meeting’ means this notice of meeting of the Company.

‘Placement Directors’ means the Directors listed in Table 1 in section 4.1.

‘Resolution’ means a resolution referred to in the Notice.

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

‘Shareholder’ means a holder of Shares.

Words importing the singular include the plural and vice versa.

Schedule 1

Table 1
Tranche 1 Placement Securities

Date of issue announcement	No of securities	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount (%)	Consideration cash (\$)	Consideration non cash – current value	Purpose of issue	Persons issued to or basis on which those persons were determined
20 August 2021	13,770,928	30 August 2021	ordinary	\$0.38	\$0.44	15	\$0.38 per Share	Nil	Part payment of the consideration for the acquisition of Hampers with Bite	Clients of PAC Partners Securities Limited

Table 2
Tranche 2 Placement securities

Type	Number	Issue price	Terms	Recipients
Shares	943,592	\$0.38	Ordinary fully paid shares	Clients of PAC Partners Securities Limited



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11am (AEST) on Tuesday 28 September 2021.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ptlgm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, **therefore by 11am (AEST) on Tuesday 28 September 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/ptlgm2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Pental Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held **Virtually on Thursday, 30 September 2021 at 11am (AEST)** and at any adjournment of that meeting, to act 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 4; I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 4 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of issue of Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.1	Approval of issue of Shares to Mark Hardgrave or their nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.2	Approval of issue of Shares to Jeff Miciulis or their nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.3	Approval of issue of Shares to Fred Harrison or their nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.4	Approval of issue of Shares to Charlie McLeish or their nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of giving of Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021