

28 October 2022

Dear Shareholder

Annual General Meeting – Notice and Proxy Form

Notice is hereby given that the Annual General Meeting of Shareholders of New Zealand Coastal Seafoods Limited (ACN 124 251 396) (**Company**) will be held at **2pm (AWST) on Monday, 28 November 2022** by Virtual Meeting Facility (refer to details below) (**Meeting**).

In accordance with section 110D of the Corporations Act 2001 (Cth) (as inserted by the Corporations Amendment (Meeting and Documents) Act 2022 (Cth)), the Company will not be dispatching physical copies of the Notice of Meeting ('Notice') unless specifically requested to do so. Instead, a copy of the Notice is available at <https://nzcs.co/asx-feed/>.

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

All shareholders will be able to participate in the Meeting by:

- (a) attending via the Virtual Meeting Facility, and voting their Shares at the Meeting on Monday, 28 November 2022 at 2pm (AWST);
- (b) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 2:00pm (AWST) on 26 November 2022) either by:
 - **voting online** at <https://investor.automic.com.au/#/loginsah>; or
 - **lodging a proxy form**, as follows:
 - **by post to:** Automic, GPO Box 5193, Sydney, NSW, 2001; or
 - **in person to:** Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
 - **by email to:** meetings@automicgroup.com.au; or
 - by any other means permitted on the proxy form;
- (c) lodging questions in advance of the Meeting by emailing the questions to Eryn Dawson, Company Secretary and Non-Executive Director at erlyn@azc.com.au, by no later than 24 November 2022.

Virtual Meeting Facility

If you wish to attend the Meeting, please follow the below step-by-step process to be able to access, vote and ask questions at the Meeting:

1. Open your internet browser and go to investor.automic.com.au.
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual Meeting.**
3. After logging in, a banner will be displayed at the top once the Meeting is open for registration, click on "**View**" when this appears.
4. Click on "**Register**" and follow the steps.

New Zealand Coastal Seafoods Limited

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Nedlands WA 6009

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5. Click on the URL to join the Virtual Meeting Facility where you can join and listen to the Meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen.
7. Select your voting direction and click “**confirm**” to submit your vote. **Note that you cannot amend your vote after it has been submitted.**

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact the Company’s share registry, Automic Registry Services on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

This announcement is authorised for market release by the Board of New Zealand Coastal Seafoods Limited.

Yours sincerely



Erlyn Dawson
Company Secretary and Non-Executive Director

NEW ZEALAND COASTAL SEAFOODS LIMITED
ACN 124 251 396
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:00 PM AWST
DATE: 28 November 2022
PLACE: Virtual Meeting Facility

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:00 PM (AWST) on 26 November 2022.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WINTON WILLESEE

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

“That, for the purpose of clause 15.2 of the Constitution, and for all other purposes, Winton Willesee, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PERFORMANCE RIGHTS TO ANDREW PETI

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Performance Rights on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

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

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

6. RESOLUTION 5 – APPROVAL TO ISSUE CONSIDERATION SECURITIES TO VENDORS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 527,005,031 Initial Consideration Shares, 206,751,257 Consideration Options, 150,000,000 Tranche 1 Deferred Consideration Shares and 225,000,000 Tranche 2 Deferred Consideration Shares to the Vendors (or their nominee/s), on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ELECTION OF DIRECTOR – PETER CHAI

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

“That, subject to completion of the Transaction occurring and conditional upon the passing of Resolution 5, pursuant to and in accordance with the Company’s Constitution and for all other purposes, Peter Chai, having consented to act as a director of the Company, be appointed as a director of the Company with effect on and from completion of the Transaction.”

Dated: 25 October 2022



By order of the Board

**Erlyn Dawson
Company Secretary and Director**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 3 - Ratification of Prior Issue of Performance Rights to Andrew Peti	A person who participated in the issue or is a counterparty to the agreement being approved (namely Andrew Peti) or an associate of that person or those persons.
Resolution 5 – Approval to issue Consideration Securities to Vendors	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Vendors or their nominees) or an associate of that person (or those persons).

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

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

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none">(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or(b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

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

Voting online via virtual meeting

The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on "View" when this appears
4. Click on "Register" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
7. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

You may still vote at the virtual Meeting even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance at the Meeting will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 3170.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.nzcs.co.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – WINTON WILLESEE

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Winton Willesee, who has served as a Director since 8 July 2016 and was last re-elected on 30 November 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr. Willesee is an experienced corporate professional with a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance. Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries, having held directorships, chairmanships and company secretarial positions with a number of ASX-listed companies over many years.

Mr. Willesee holds a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business.

He is a Fellow of the Financial Services Institute of Australasia, a Graduate of the Australian Institute of Company Directors, a Member of CPA Australia and a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators/Chartered Secretary.

3.3 Independence

The Board considers Winton Willesee to be an independent Director.

3.4 Board recommendation

The Board has reviewed Winton Willesee's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Winton Willesee and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PERFORMANCE RIGHTS TO ANDREW PETI

4.1 General

As announced on 29 July 2022, the terms of Andrew Peti's employment agreement with the Company pursuant to which he was appointed to the role of Chief Executive Officer were amended (**Amended Employment Agreement**). Under the terms of the Amended Employment Agreement, it was agreed that Mr Peti would be issued 5,000,000 performance rights upon the publishing of audited

accounts of NZCS Operations Limited (and all its subsidiaries) showing a net profit before tax of at least \$1 for the Financial Year ending 30 June 2023 (**Milestone**).

On 9 September 2022, the Company issued 5,000,000 Performance Rights to Mr Peti (after the Milestone was achieved) (**Performance Rights**). Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.3 for the issue of the Performance Rights to Mr Peti.

The full terms and conditions of the Performance Rights are set out in Schedule 2.

4.2 Employment Agreement

The material terms of the of the Employment Agreement are as follows:

- (a) **Role:** Mr Peti has been engaged to provide those services usually required of a Chief Executive Officer of a company of the nature and scale of the Company;
- (b) **Fees:** Mr Peti's salary was agreed to be NZ\$200,000 per annum;
- (c) **Cash Bonus:** Mr Peti is entitled to receive a one-off performance-based bonus of NZ\$50,000 upon the Company's operating subsidiary, NZCS Operations Limited, returning a positive monthly cashflow, equal or greater than \$1, for three consecutive months before 30 June 2023;
- (d) **Performance Rights:** Mr Peti is entitled to be issued the Performance Rights upon the Milestone being achieved; and
- (e) **Term:** Mr Peti's appointment is to continue on an ongoing basis until terminated in accordance with the terms of the Employment Agreement.

The terms of the Employment Agreement are considered otherwise standard for an agreement of this nature.

4.3 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 4 being passed at this Meeting.

The issue of the Performance Rights does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Performance Rights.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not

reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

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

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Performance Rights.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Performance Rights will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Performance Rights.

If Resolution 3 is not passed, the Performance Rights will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Performance Rights.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 4 being passed at this Meeting.

4.5 Technical information required by Listing Rule 7.5

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

- (a) the Performance Rights were issued to Andrew Peti, who is not a related party of the Company;
- (b) 5,000,000 Performance Rights were issued, and the Performance Rights issued were on the terms and conditions set out in Section 4.1 and Schedule 2;
- (c) the Performance Rights were issued on 9 September 2022;
- (d) the Performance Rights were issued for nil consideration. The Company has not and will not receive any other consideration for the issue of the Performance Rights;
- (e) the purpose of the issue of the Performance Rights was to remunerate Andrew Peti and satisfy the Company's obligations under the Employment Agreement, the material terms of which are set out in Section 4.2; and
- (f) the Performance Rights were issued under the Employment Agreement, the material terms of which are set out in Section 4.1.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) **Period for which the 7.1A Mandate is valid**

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

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

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

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

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) advancing the Company's existing operations, including sales and marketing buildout, accelerating product development, expanding production capacity and capitalising on further opportunities;
- (ii) the acquisition of new businesses, assets, and investments (including expenses associated with such an acquisition);
- (iii) general working capital.

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

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

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 14 October 2022.

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

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.002	\$0.004	\$0.01
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	1,654,010,062	165,401,006	\$330,802	\$661,604	\$992,406
50% increase	2,481,015,093	248,101,509	\$496,203	\$992,406	\$1,488,609
100% increase	3,308,020,124	330,802,012	\$661,604	\$1,323,208	\$1,984,812

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

The table above uses the following assumptions:

1. There are currently 1,654,010,062 Shares on issue comprising:
 - (a) 1,127,005,031 existing Shares as at the date of this Notice of Meeting; and
 - (b) 527,005,031 Initial Consideration Shares which will be issued if Resolution 5 is passed at this Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 14 October 2022.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(e) Allocation policy under the 7.1A Mandate

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

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

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;

- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 28 November 2021, the Company issued 77,949,246 Shares pursuant to the Previous Approval (**Previous Issue**), which represents approximately 7.52% of the total diluted number of Equity Securities on issue in the Company on 25 November 2022, which was 1,036,190,459 securities.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

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

Date of Issue and Appendix 3B	Date of Issue: 6 April 2022 Date of Appendix 3B: 31 March 2022
Recipients	Professional and sophisticated investors as part of a placement announced on 31 March 2022. The placement participants were identified through a bookbuild process, which involved the Company seeking expressions of interest to participate in the placement from non-related parties of the Company.
Number and Class of Equity Securities Issued	200,000,000 Shares ² , of which 122,050,754 Shares were issued under LR 7.1 and 77,949,246 of which were issued under LR7.1A.
Issue Price and discount to Market Price¹ (if any)	\$0.005 per Share (at no discount to Market Price).
Total Cash Consideration and Use of Funds	Amount raised: \$1,000,000 Amount spent: \$575,000 Use of funds: Strategic opportunities or acquisitions, and ongoing working capital. Amount remaining: \$425,000 Proposed use of remaining funds³: Strategic opportunities or acquisitions, and ongoing working capital.

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: NZS (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. BACKGROUND TO TRANSACTION

6.1 General

As announced on 5 October 2022, the Company has entered into a share purchase agreement (**Acquisition Agreement**) with PXY Pty Ltd (ACN 619 457 019) (**PXY**), Nine Ocean Fishery Pty Ltd (ACN 619 459 308) (**NOF**) and Investment Advisers Alliance Pty Ltd (**IAA**) (a founding shareholder of each of PXY and NOF) in relation to the proposed acquisition by the Company of 100% of the issued share capital of each of PXY and NOF (together, the **Targets**) (the **Transaction**).

Details of the consideration payable by the Company to IAA and the other shareholders of PXY and NOF (together the **Vendors**) under the Transaction are set out in Section 6.3 below. Further information in relation to the Targets and their operations is set out in Section 6.2 below.

Since the Company's re-admission to the Official List on 2 August 2019, a key part of the Company's business model has been the expansion of its business through acquisitions of complementary and enhancing businesses in appropriate geographies. The Directors believe that the Transaction represents a suitable extension to its business given that the Vendors and the Company have similar businesses, including sourcing high-end seafood products from pristine catchment areas. Further, the Transaction falls squarely within the Company's previously stated growth strategy, being to potentially expand and more efficiently use its production capacity, increase its access to raw seafood supply, and expand revenue streams by adding greater depth and breadth to its existing product lines.

Further details of the Transaction and the Vendors are set out in the Company's announcement dated 5 October 2022.

6.2 Nine Ocean Group

The Targets along with Meridian Equity Pty Ltd (ACN 619 459 755) (**Meridian**) operate the "Nine Ocean Group" business (**Nine Ocean**), which is a seafood fishing and wholesale/export business based in Cairns, Queensland and which sources its seafood products from the Torres Strait, a vast sea water area which cultivates a variety of quality high-end seafood products through sustainable management plans. Being a wholesaler and exporter, Nine Ocean operates a comprehensive facility including live tanks, frozen/chill storage and drying equipment for live, frozen/chill and dried seafood products.

Nine Ocean operates in the same industry as the Company (being, the production, distribution and export of premium seafood products, marine ingredients and nutraceutical products) and accordingly, its business is considered complementary and synergistic to the business of the Company. The Board believes that the Transaction will provide it with several strategic benefits, including an Australian based operation with established revenue channels, advanced supply chain and logistics networks, processing optimisation opportunities and additional warehousing capacity.

6.3 Consideration for the Transaction

The consideration payable by the Company to the Vendors pursuant to the Transaction is summarised below:

- (a) 527,005,031 Shares (**Initial Consideration Shares**) and 206,751,257 Options on the terms and conditions set out in Schedule 1 (**Consideration Options**)

(together, the **Initial Consideration Securities**), to be issued to the Vendors (or their nominees) at completion of the Transaction; and

(b) deferred consideration to be issued to the Vendors as follows:

- (i) 150,000,000 Shares in the event the total Revenue of the Targets is greater than \$3,100,000 for the period commencing on completion of the Transaction and ending on the date 12 months after completion of the Transaction (**Tranche 1 Deferred Consideration Shares**); and
- (ii) 225,000,000 Shares in the event the total Revenue of the Targets is greater than \$6,200,000 for either the period commencing on completion of the Transaction and ending on the date 12 months after completion of the Transaction or the period commencing on the date which is 12 months from completion of the Transaction and ending on the date which is 24 months after completion of the Transaction (**Tranche 2 Deferred Consideration Shares**),

(together, the **Deferred Consideration Shares**).

For the purposes of the Deferred Consideration Shares:

'**Revenue**' means the revenue of the Targets recognised and measured in accordance with AASB 15 – *Revenue from Contracts with Customers* excluding any Excluded Revenue and as approved by the Company's auditor.

'**Excluded Revenue**' means one-off or extraordinary revenue items or revenue received in the form of government grants, allowances, rebates or other hand-outs.

To determine whether a Revenue milestone has been met:

- the Company will prepare a schedule of Revenue for the relevant period including all categories of revenue referable to the Acquisition Agreement (**Schedule**);
- the Company's auditor will undertake an audit procedure consisting of an examination, on a test basis, of evidence supporting the Revenue amounts disclosed in the Schedule; and
- the Company's auditor will form an opinion as to whether, in all material respects, the Schedule includes amounts referable to the Acquisition Agreement for the relevant period and whether the relevant Revenue milestone has been met.

That number of Initial Consideration Shares which is equal to 19.9% of the issued share capital of the Company at the time of completion of the Transaction will be subject to voluntary escrow for a period of 12 months from the date of issue. Subject to compliance with the Corporations Act, the Deferred Consideration Shares will also be subject to voluntary escrow for a period of 12 months from the date of issue.

The Company and the Vendors have also agreed that, if the issue of Deferred Consideration Shares would result in a contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the issue of such Deferred

Consideration Shares shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition.

6.4 Conditions Precedent to the Transaction

The acquisition of the Targets from the Vendors will not proceed unless and until the following key conditions precedent (amongst others) are satisfied or waived in accordance with the Acquisition Agreement:

- (a) the Company entering into share purchase agreements with the shareholders of Meridian to acquire 100% of the issued share capital of Meridian for nil consideration, with such acquisition to settle post completion of the Transaction;
- (b) the Company being satisfied with its due diligence investigations on Nine Ocean;
- (c) all Vendors accepting the Company's offer to acquire their shares in the Targets within 14 days of the date such offer is made by the Company;
- (d) the Company obtaining Shareholder approval for:
 - (i) the issue of the Initial Consideration Securities and the Deferred Consideration Shares pursuant to Listing Rule 7.1 (being the subject of Resolution 5); and
 - (ii) the appointment of Peter Chai as a director of the Company (being the subject of Resolution 6).
- (e) the Company receiving a waiver from the requirements of ASX Listing Rule 7.3.4 in respect of the issue of the Deferred Consideration Shares;
- (f) the parties receiving all other regulatory, shareholder and third-party approvals, consents or waivers required to give effect to the Transaction; and
- (g) no material adverse effect occurring in relation to Nine Ocean between the date of execution of the Acquisition Agreement and the date of completion of the Transaction.

6.5 Capital structure

The below capital structure table shows the potential effect of the completion of the Transaction and the issue of the Deferred Consideration Shares.

	Shares	Options	Performance Rights
Current issued capital	1,127,005,031	311,000,004	38,500,000
Initial Consideration Securities under the Transaction	527,005,031	206,751,257	-
Tranche 1 Deferred Consideration Shares	150,000,000	-	-
Tranche 2 Deferred Consideration Shares	225,000,000	-	-

	Shares	Options	Performance Rights
Total	2,029,010,062	517,751,261	38,500,000

6.6 Modification of the Company's business model

The Transaction will result in the Company further expanding its business by acquiring a complementary business, while continuing to be engaged in the production, distribution and export of premium seafood products, marine ingredients and nutraceutical products via its existing business.

The Company generates revenue by delivering high-quality, highly-valued New Zealand seafood products through a processing model that allows it to meet consumer demand in target markets, supported by direct and indirect sales and distribution channels. At present, the Company's products are sold through a variety of channels, directly and through distributors, to customers, restaurants, seafood traders, supermarkets and other retailers in New Zealand, Asia and Australia. Irrespective of geography, the Company's products are generally targeted at Asian consumers, who value the perceived health and beauty benefits associated with the Company's products.

This will continue when the Transaction completes, with additional capabilities by virtue of the addition of the wholesale and export facilities of Nine Ocean. For example, Nine Ocean operates a comprehensive facility including live tanks, frozen/chill storage and drying equipment for live, frozen/chill and dried seafood products.

The Company expects to deploy growth capital and acquire Nine Ocean's additional fishing fleet and considerable warehouse capacity, with a view to scaling Nine Ocean's operations. The Company expects to benefit from Nine Ocean's established supply chains and revenue channels, and will continue to develop its existing business in New Zealand and Australia as well as develop Nine Ocean's business. This is consistent with the Company's main undertaking and its key growth strategy, as articulated below:

- (a) expand and more efficiently use its production capacity;
- (b) increase its access to raw seafood supply; and
- (c) expand revenue streams by adding greater depth and breadth to its existing product lines.

In light of this structure, the Company will not be required to modify its business model to accommodate the Transaction. The Company and Nine Ocean will integrate operations in the management and development of both the Nine Ocean business and the Company's existing business. At present, the organisational structure is complementary in nature and will not result in significant personnel changes other than possible additional resources to assist with the expanded operations.

6.7 Composition of the Board of Directors

It has been agreed that one representative from the Targets (current director Peter Chai) will join the Board of the Company and one member of the Company's existing Board (Erlyn Dawson) will retire following completion of the Transaction. The Company is therefore seeking approval under Resolution 6 for

the election of Peter Chai to the Board of the Company. The Transaction will not otherwise require any other changes to be made to the Board of the Company.

6.8 Proposed Timetable

The proposed timetable for the Transaction is as follows:

Item	Proposed date
Announcement of the Transaction	5 October 2022
Notice of Meeting despatched to Shareholders	28 October 2022
General Meeting to approve issue of Initial Consideration Securities and Deferred Consideration Shares	28 November 2022
Completion of the Transaction and issue of the Initial Consideration Securities	29 November 2022
Quotation of Initial Consideration Shares	30 November 2022

The timetable is indicative only and is subject to change.

6.9 Risks to be Considered by Shareholders

The business, assets and operations of the Company, including after completion of the Transaction, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

The risks and uncertainties described below are not intended to be exhaustive and this Notice does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company and its related entities.

6.10 Risks specific to the Transaction

(a) Completion of Transaction

The Transaction is expected to be completed by 29 November 2022, but there can be no guarantee that this will occur. Due to circumstances beyond the control of the Company, including the outcome of the Resolutions the subject of this Notice, it is possible that the Transaction is not ultimately completed or completion may be delayed. These circumstances could materially impact the Company's future earnings.

(b) Transaction and integration risk

The Transaction may consume a large amount of management time and attention during integration, and the Transaction may fail to meet

strategic objectives, or achieve expected financial performance (including unrealised synergies).

(c) **Due diligence risk**

The Company has performed certain due diligence on Nine Ocean. There is a risk that due diligence conducted has not identified issues that would have been material to the decision to enter into the Transaction. A material adverse issue which was not identified prior to completion of the Transaction could have an adverse impact on the financial performance or operations of the Company. As is usual in the conduct of acquisitions, the due diligence process undertaken by the Company identified several risks associated with the Transaction, which the Company had to evaluate and manage. The mechanisms used by the Company to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Company may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on the Company's earnings and financial position.

(d) **Counterparty and contractual risk**

Pursuant to the Acquisition Agreement, the Company has agreed to enter into the Transaction subject to the fulfilment of certain conditions precedent (as summarised in Section 6.4). The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement and other agreements related to the Transaction. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(e) **Dilution risk**

The Company currently has 1,127,005,031 Shares on issue. On completion of the Transaction, the Company will have 1,654,010,062 Shares on issue. The existing Shareholders will retain approximately 68.1% and recipients of the Initial Consideration Shares (i.e., the Vendors) will hold approximately 31.9% of the issued capital of the Company on completion of the Transaction.

In the event all of the Consideration Options were exercised, the Company would have 1,860,761,319 Shares on issue. The existing Shareholders would hold approximately 60.6% and the Vendors would hold approximately 39.4% of the issued capital of the Company on exercise of all of the Consideration Options.

Additional dilution would be caused by the issue of the Deferred Consideration Shares (assuming the Revenue milestones are satisfied). In the event all of the Deferred Consideration Shares were exercised (and all of the Consideration Options were exercised), the Company would have 2,235,761,319 Shares on issue. The existing Shareholders would hold approximately 50.4% and the Vendors would hold approximately 49.6% of the issued capital of the Company on issue of all of the Deferred Consideration Shares.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the

development of the Company (including Nine Ocean) and future opportunities.

(f) **Business Strategy Risk**

The Company's growth and financial performance is dependent on its ability to successfully execute its growth strategy including in relation to Nine Ocean. If the Company fails to execute on its business strategy, its business, financial condition and results of operations could be materially and adversely affected.

(g) **Consumer demand risk**

The Company sells premium seafood products. Therefore, there is a risk that changing economic conditions could cause consumers to reduce their consumption of the Company's products or substitute with cheaper seafood products. Demand for the company's products is, in part due to the perceived health benefits of the product in the minds of consumers, and in particular consumers in Asian and Asian expatriate markets. Should events occur to diminish that perception, demand for ling maw may fall.

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

(h) **Product pricing risk**

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

The financial performance of the Company will be influenced by the price it can obtain for its products, in both domestic and export markets. The Company does not have any long-term or guaranteed customer supply contracts. The Company negotiates prices based on measures of supply and demand and the exchange rate position and it is therefore not able to guarantee the prices and terms of future transactions. There is a risk that a reduction in the prices received by the Company for its products could have material adverse impact on the operational results and financial performance of the Company.

(i) **Key customers risk**

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

(j) **Reputation risk**

There is a risk that some incident or development beyond the control of the Company could occur which would have the effect of reducing

consumer confidence or preferences for the Company's products. Such incidents could include:

- (i) a widespread loss of consumer confidence in seafood;
- (ii) health concerns associated with the consumption of seafood products;
- (iii) a widespread loss of consumer confidence in the food safety procedures in the seafood industry as a whole; and
- (iv) concerns about fishing practices and the sustainability of wild caught fisheries.

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

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

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

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

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

Seafood in particular is a highly perishable product unless handled with strict processing, packing, storage and transport protocols. Further, the Company's operations involve the drying and handling of seafood. Food safety concerns associated with drying seafood, including improper storage or drying techniques, could result in product contamination. A reduction in product quality has a material impact on the recoverable price for the end product and may adversely impact the Company's operating or financial performance.

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

As a secondary producer of seafood, the Company operates under a food control plan that is registered with local authorities in Christchurch, New Zealand. Under this plan, the Company is required to adhere to procedures for ensuring food safety. However, there is a risk that the food control practices adopted by the Company will be insufficient.

(l) **Seasonal and environmental risks**

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

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

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

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

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

(n) **Export and import risks**

To export seafood products, authorisations and permits are required from various Governmental authorities. There is a risk that the relevant regulatory authorities will not issue these authorisations and permits to the Company on acceptable terms, in a timely manner or at all. Failure or delay in obtaining any required authorisations and permits for export and import could have a materially negative impact on the Company's ability to achieve its growth plans.

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

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

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

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

In the event that an employee of the Company is injured, during the course of their employment, the Company may be liable for penalties or damages under the relevant occupational health and safety regulations. This risk has the potential to adversely impact the operating and financial performance of the Company.

(p) **Commercialisation risk**

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

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

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

(q) **Foreign exchange risk**

The Company has customers that operate in a variety of jurisdictions, including New Zealand, Australia and throughout Asia, and as such, expects to generate revenue and incur costs and expenses in more than one currency. Accordingly, the depreciation of the Australian dollar and/or the appreciation of the foreign currency relative to the Australian dollar could result in a translation loss on consolidation which is taken directly to shareholder equity.

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

(r) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, and the Company is subject to competition from direct competitors operating domestically and in its export markets. Small manufacturers and exporters such as the Company face increasing

competition from larger participants, due to the ongoing consolidation of seafood sector. The Company does not have any influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

(s) **Insurance risk**

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

(t) **Credit risks**

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

7. RESOLUTION 5 – APPROVAL TO ISSUE CONSIDERATION SECURITIES TO VENDORS

7.1 General

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Initial Consideration Securities and the Deferred Consideration Shares (together, the **Consideration Securities**) to the Vendors (or their nominees) as consideration for the Transaction.

7.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The proposed issue of the Consideration Securities does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.3 Waiver

Pursuant to Listing Rule 7.3.4, if Shareholder approval is received pursuant to Resolution 5, the approval will only remain valid for the Consideration Securities that are issued within 3 months of the Meeting. However, the Company has applied for and been granted a waiver from Listing Rule 7.3.4, to permit the Company to issue the Deferred Consideration Shares after the date which is 3 months from the Meeting (**Waiver**).

The Waiver has been granted on the basis of the following conditions:

- (a) the Deferred Consideration Shares are to be issued immediately upon satisfaction of each of the relevant milestones and in any event no later than 30 September 2025;
- (b) the milestones in relation to the Deferred Consideration Shares must not be varied;
- (c) the maximum number of Deferred Consideration Shares to be issued is capped at 375,000,000 Shares;
- (d) adequate details regarding the potential dilutionary effect of the Deferred Consideration Shares on the Company's capital structure are included in the Notice (please refer to Sections 6.5 and 6.10(e));
- (e) for any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out the number of Deferred Consideration Shares issued in that annual reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued;
- (f) in any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued; and
- (g) this Notice contains the full terms and conditions of the Deferred Consideration Shares as well as the conditions of the Waiver.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consideration Securities. In addition, 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.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Consideration Securities and the Company will not be able to satisfy its obligations under the Acquisition Agreement meaning the Transaction will not proceed.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Securities.

7.5 Technical information required by Listing Rule 7.1

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

- (a) the Consideration Shares will be issued to the Vendors (or their nominees) as follows:
 - (i) 237,152,264 Initial Consideration Shares, 93,038,066 Consideration Options, 67,500,000 Tranche 1 Deferred Consideration Shares and 101,250,000 Tranche 2 Deferred Consideration Shares to Investment Advisers Alliance Pty Ltd;

- (ii) 52,700,503 Initial Consideration Shares, 20,675,125 Consideration Options, 15,000,000 Tranche 1 Deferred Consideration Shares and 22,500,000 Tranche 2 Deferred Consideration Shares to Zhenhua Yang; and
 - (iii) 237,152,264 Initial Consideration Shares, 93,038,066 Consideration Options, 67,500,000 Tranche 1 Deferred Consideration Shares and 101,250,000 Tranche 2 Deferred Consideration Shares to Australian Financial Resources Group Pty Ltd;
- (b) the maximum number of Consideration Securities to be issued is:
- (i) 527,005,031 Initial Consideration Shares;
 - (ii) 206,751,257 Consideration Options;
 - (iii) 150,000,000 Tranche 1 Deferred Consideration Shares; and
 - (iv) 225,000,000 Tranche 2 Deferred Consideration Shares;
- to be distributed to the Vendors (or their nominees) as set out in paragraph (a) above;
- (c) the Initial Consideration Shares and Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the terms and conditions of the Consideration Options are set out in Schedule 1;
 - (e) the Initial Consideration Shares and the Consideration Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Initial Consideration Shares and the Consideration Options will occur on the same date;
 - (f) in accordance with the terms of the Waiver, the Deferred Consideration Shares will be issued immediately upon satisfaction of the relevant milestones and in any event no later than 30 September 2025;
 - (g) the Consideration Securities will be issued at a nil issue price, in consideration for the Acquisition;
 - (h) the Consideration Securities are being issued to the Vendors (or their nominees) under the Acquisition Agreement, a summary of the material terms and conditions of which is set out in Section 6; and
 - (i) the Consideration Securities are not being issued under, or to fund, a reverse takeover.

7.6 Dilution

Refer to Section 6.10(e) above for details of the dilution caused to Shareholders by the issue of the Consideration Shares.

8. RESOLUTION 6 – ELECTION OF DIRECTOR – PETER CHAI

8.1 General

The background to the Transaction is set out above in Section 6. As set out in Section 6.4(d)(ii), one of the conditions precedent to completion of the Transaction is the Company obtaining shareholder approval for the appointment of Peter Chai to the Company's Board. Accordingly, pursuant to Resolution 6, the Company is seeking the election of Mr Chai (a representative of Nine Ocean) to the Board.

The Company's Constitution provides that the Company may elect a person as a director by resolution passed in general meeting. Accordingly, pursuant to clause 15.3 of the Constitution and subject to completion of the Transaction, Peter Chai seeks election as a director from Shareholders.

8.2 Qualifications and other material directorships

Peter Chai has vast corporate experience across the Asia-Pacific region. He was personal adviser to the late Datuk Jaafar Ahmad (former Central Bank Governor of Malaysia & Namibia), Corporate Adviser to the Board of The Merino Company, Director of Corporate Advisory of AIMS Financial Group and a Director of Ho Wah Genting (Hong Kong) Limited, Coats Viyella Garments Asia-Pacific, Shakey's International Limited and Byford International Limited.

Peter was instrumental in the \$6.3 billion property development project of Guangzhou R&F Properties Co., Ltd. in Springfield, Queensland, Australia and the recapitalisation of Diatrema Resources Limited (ASX:DRX).

8.3 Independence

Mr Chai has no interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected, the Board considers that Peter Chai will not be an independent director.

8.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks in respect of the Proposed Directors prior to the date of this Notice.

8.5 Board recommendation

The Board considers that the skills and experience of Mr Chai will enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Chai and unanimously recommends that Shareholders vote in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

Acquisition Agreement has the meaning given to it in Section 6.1.

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

ASIC means the Australian Securities & Investments Commission.

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

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means New Zealand Coastal Seafoods Limited (ACN 124 251 396).

Consideration Options has the meaning given to it in Section 6.3.

Consideration Securities has the meaning given to it in Section 6.3.

Constitution means the Company's constitution.

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

Deferred Consideration Shares has the meaning given to it in Section 6.3.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

IAA has the meaning given to it in Section 6.1.

Initial Consideration Securities has the meaning given to it in Section 6.3.

Initial Consideration Shares has the meaning given to it in Section 6.3.

Listing Rules means the Listing Rules of ASX.

Meridian has the meaning given to it in Section 6.2.

Nine Ocean has the meaning given to it in Section 6.2.

NOF has the meaning given to it in Section 6.1.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

PXY has the meaning given to it in Section 6.1.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Targets has the meaning given to it in Section 6.1.

Tranche 1 Deferred Consideration Shares has the meaning given to it in Section 6.3.

Tranche 2 Deferred Consideration Shares has the meaning given to it in Section 6.3.

Vendors has the meaning given to it in Section 6.1.

SCHEDULE 1 – TERMS OF CONSIDERATION OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within five Business Days after the Exercise Date, the Company will:

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

If a notice delivered under paragraph g(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after

becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 2 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

Terms and Conditions of Class D Performance Rights	
Milestones	The Class D Performance Rights will vest upon the publishing of the audited accounts of NZCS Operations Limited (and all its subsidiaries) showing a net profit before tax of at least \$1 for the Financial Year ending 30 June 2023.
Vesting Deadline	Each of the Performance Rights shall lapse on 30 June 2024 (Vesting Deadline). If the relevant Milestone attached to a class of Performance Rights has not been achieved by the Vesting Deadline, then the relevant Performance Rights will automatically lapse. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the Vesting Deadline and the Shares the subject of a conversion are deferred in accordance with the terms below.
Notification to holder	The Company shall notify the holder in writing when the relevant Milestone has been satisfied.
Conversion	Subject to the terms below, upon vesting, each Performance Right will, at the election of the holder (such election to be in writing and provided to the Company Secretary), convert into one Share.
Expiry Date	Subject to the continued engagement of the executive to whom the offer of Performance Rights was made remaining employed by the Company or its subsidiaries, each Performance Right shall otherwise expire on 30 June 2024. Should the executive to whom the offer of Performance Rights was made cease to be employed by the Company or its subsidiaries, in the absence of a resolution of the Board confirming that the Performance Rights shall not lapse at that time, the Performance Rights shall lapse 30 days from the date upon which the executive to whom the offer of Performance Rights was made ceasing to be employed by the Company or its subsidiaries (Expiry Date). If the relevant Milestone attached to the Performance Rights has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time. The holder may elect to cancel the Performance Rights at any time (such election to be in writing and provided to the Company Secretary). If the relevant Milestone attached to the Performance Rights can no longer be satisfied, the Board can resolve to lapse the Performance Rights at its absolute discretion.
Consideration	The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
Share ranking	All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
Application to ASX	The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
Timing of issue of Shares on Conversion	Within 5 Business Days after date that the Performance Rights are converted, the Company will:

Terms and Conditions of Class D Performance Rights

	<p>(i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;</p> <p>(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and</p> <p>(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.</p> <p>If a notice delivered under (j)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.</p>
Transfer of Performance Rights	The Performance Rights are not transferrable other than by force of law upon death, to the relevant holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
Participation in new issues	A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right.
Reorganisation of capital	If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
Dividend and voting rights	The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
Change in control	<p>Subject to the terms below, upon:</p> <p>(i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:</p> <p>(A) having received acceptances for not less than 50% of the Company's Shares on issue; and</p> <p>(B) having been declared unconditional by the bidder; or</p> <p>(ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the</p> <p>reconstruction of the Company or its amalgamation with any other company or companies,</p>

Terms and Conditions of Class D Performance Rights

	the Performance Rights will automatically convert into an equivalent number of Shares.
Deferral of conversion if resulting in a prohibited acquisition of Shares	<p>If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the <i>Corporations Act 2001</i> (Cth) (General Prohibition) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:</p> <p>(i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and</p> <p>(ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (i) within seven (7) days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.</p>
No rights to return of capital	A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
Rights on winding up	A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
No other rights	A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
Tax	Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on performance rights, will apply (subject to the conditions in that Act), to the Performance Rights.

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

New Zealand Coastal Seafoods Limited | ACN 124 251 396

Holder Number:

Your proxy voting instruction must be received by **2.00pm (AWST) on Saturday, 26 November 2022**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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