
FIJI KAVA LIMITED
ACN 169 441 874
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am EST
DATE: 4 October 2022
PLACE: Level 14
167 Eagle St
Brisbane City 4000

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 11:00 AM EST on 2 October 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO BSP LIFE (FIJI) LIMITED

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 156 BSP Convertible Notes on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO BSP LIFE (FIJI) LIMITED

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders authorise the issue of up to 94 BSP Convertible Notes to BSP Life (Fiji) Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

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 149 Convertible Notes on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – APPROVAL TO ISSUE CONVERTIBLE NOTES

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders authorise the issue of up to 2,500 Convertible Notes on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,500,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES IN CONSIDERATION FOR SERVICES

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 486,092 Shares on the terms and conditions set out in the Explanatory Statement."

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

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF SHARES IN CONSIDERATION FOR SERVICES

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 660,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

12. RESOLUTION 12 – AMENDMENT TO CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution in the manner described in the Explanatory Statement."

13. RESOLUTION 13 – CHANGE OF COMPANY NAME

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

"That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to The Calmer Co Limited."

14. RESOLUTION 14 – APPROVAL TO ISSUE SHARES – FUTURE PLACEMENT

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$4,000,000 on the terms and conditions set out in the Explanatory Statement."

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

Dated: 2 September 2022

By order of the Board

**Jay Stephenson
Company Secretary**

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 1 – Ratification of Prior Issue of Convertible Notes to BSP Life (Fiji) Limited	A person who participated in the issue or is a counterparty to the agreement being approved (namely BSP Life (Fiji) Limited) or an associate of that person or those persons.
Resolution 2 – Approval to Issue Convertible Notes to BSP Life (Fiji) Limited	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, BSP Life (Fiji) Limited) or an associate of that person (or those persons).
Resolution 3 – Ratification of Prior Issue of Convertible Notes	BSP Life (Fiji) Limited, being the entity who participated in the issue or an associate of BSP Life (Fiji) Limited.
Resolution 4 – Approval to Issue Convertible Notes	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).
Resolution 5 – Ratification of Prior Issue of Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely Gormco Pty Ltd as trustee for The Gorman Family A/C) or an associate of that person or those persons.
Resolution 6 – Ratification of Prior Issue of Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely Gormco Pty Ltd as trustee for The Gorman Family A/C) or an associate of that person or those persons.
Resolution 7 – Ratification of Prior Issue of Options – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Gormco Pty Ltd as trustee for The Gorman Family A/C) or an associate of that person or those persons.
Resolution 8 – Ratification of Prior Issue of Options – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Gormco Pty Ltd as trustee for The Gorman Family A/C) or an associate of that person or those persons.
Resolution 9 – Ratification of Prior Issue of Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely Gormco Pty Ltd as trustee for The Gorman Family A/C) or an associate of that person or those persons.
Resolution 10 – Ratification of Prior Issue of Shares in Consideration for Services Provided	A person who participated in the issue or is a counterparty to the agreement being approved (namely Wolfgang Kuchen) or an associate of that person or those persons.
Resolution 11 – Ratification of Prior Issue of Shares in Consideration for Services Provided	A person who participated in the issue or is a counterparty to the agreement being approved (namely Spark Plus Pte Ltd) or an associate of that person or those persons.
Resolution 14 – Approval to Issue Shares – Future Placement	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

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

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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 in person

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

You may still attend the meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will cancel your direct vote (unless you instruct the Company or Automic Registry Services otherwise) or 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.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Automic Registry Services will need to verify your identity. You can register from 10:30am EST on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9426 0666.

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. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO BSP LIFE (FIJI) LIMITED

1.1 Background

As announced on 1 March 2022, the Company has issued 156 convertible notes to BSP Life (Fiji) Limited on the key terms and conditions set out in Schedule 1 (**BSP Convertible Notes**) pursuant to a Note Subscription Agreement dated 28 February 2022, the material terms of which are also set out in Schedule 1.

Pursuant to the Note Subscription Agreement, the Company agreed to issue and BSP Life (Fiji) Limited agreed to subscribe for the Notes in the following tranches:

- (i) FJD\$1,000,000 worth of BSP Convertible Notes (which equates to 125 BSP Convertible Notes each with a face value of FJD\$8,000) (**First Tranche**); and
- (ii) FJD\$1,000,000 worth of BSP Convertible Notes (which equates to 125 BSP Convertible Notes each with a face value of FJD\$8,000) divided into equal quarterly instalments over the 12 month period after issue of the first tranche of BSP Convertible Notes, or as otherwise mutually agreed by the parties (**Second Tranche**).

The Company issued the First Tranche on 1 April 2022 (being 125 Convertible Notes) and 31 BSP Convertible Notes (being the first portion of Second Tranche) were issued on 27 July 2022. Resolution 1 therefore seeks ratification of the issue of a total of 156 BSP Convertible Notes to BSP Life (Fiji) Limited and Resolution 2 seeks Shareholder approval for the remaining portion of the Second Tranche.

The Company engaged the services of Kontiki Stockbroking Pte Ltd (**Kontiki**) to structure the issue of the BSP Convertible Notes, liaise with regulators in relation to the issue, draft offer documentation for Fijian investors and market the issue as required. The Company has paid Kontiki a fee of FJD\$62,500 (equal to AUD\$40,625, based on a conversion rate of 0.65 AUD/FJD), being 5% of the value of the BSP Convertible Notes) for services provided.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 156 BSP Convertible Notes.

The issue of the BSP Convertible Notes did not breach Listing Rule 7.1 at the time of issue.

1.2 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary 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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

As the issue of 156 BSP Convertible Notes has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of the 156 BSP Convertible Notes.

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 156 BSP Convertible Notes.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 156 BSP Convertible Notes.

1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the 156 BSP Convertible Notes (and issue of any Shares on conversion of the 156 BSP Convertible Notes) 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 with Shareholder approval over the 12 month period following the date of issue of the 156 BSP Convertible Notes.

If Resolution 1 is not passed, the 156 BSP Convertible Notes (and issue of any Shares on conversion of the Class A Convertible Notes) will be excluded 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 156 BSP Convertible Notes.

1.4 Dilution

Set out below is a worked example of the number of Shares that may be issued on conversion of the 156 BSP Convertible Notes under Resolution 1, using the conversion price of AUD\$0.15 per Share.

Conversion Price	Number of Shares that may be issued on conversion of the convertible notes ¹	Current Shares on issue as at the date of this Notice ²	Dilution effect on existing Shareholders
\$0.15	5,416,667	190,940,264	2.8%

Notes:

1. Rounded to the nearest whole number.
2. Based on the assumption that all of the 156 Convertible Notes are converted at the same time.
3. There are currently 190,940,264 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities are converted (other than the BSP Convertible Notes the subject of this Resolution) and no other additional Shares are issued.
4. This table does not include the conversion of any interest.

1.5 Technical Information Required by ASX Listing Rule 7.5

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

- (a) the BSP Convertible Notes were issued to BSP Life (Fiji) Limited;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that BSP Life (Fiji) Limited:
 - (i) is not a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) was issued more than 1% of the issued capital of the Company;
- (c) 156 BSP Convertible Notes were issued to BSP Life (Fiji) Limited;
- (d) 125 BSP Convertible Notes were issued on 1 April 2022 and 31 BSP Convertible Notes were issued on 27 July 2022;
- (e) the face value of each of the BSP Convertible Notes was FJD\$8,000 (equal to AUD\$5,200 based on a conversion rate of 0.65 AUD/FJD);
- (f) the BSP Convertible Notes are convertible into Shares;
- (g) the terms and conditions of the BSP Convertible Notes are set out in Schedule 1;
- (h) any Shares issued on conversion of the BSP Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (i) the purpose of the issue of the BSP Convertible Notes was to raise FJD\$1,250,000 (equal to AUD\$812,500 based on a conversion rate of 0.65 AUD/FJD), which will be applied towards the Company's Fijian operations and capital expenditure. Specifically, FJD\$600,000 was deployed for factory upgrades including high efficiency heat pump dryers, industrial

dewatering extruders, automation of kava peeling, washing and slicing and improved air-handling plant; the balance of funds contributed to the total kava raw material sourcing in 2022, which exceeded FJD\$1,000,000; and

- (j) the BSP Convertible Notes were issued to BSP Life (Fiji) Limited under the Note Subscription Agreement. A summary of the material terms of the Note Subscription Agreement, together with terms and conditions of the BSP Convertible Notes, is set out in Schedule 1.

2. RESOLUTION 2 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO BSP LIFE (FIJI) LIMITED

2.1 Background

Pursuant to the Note Subscription Agreement, the Company proposes to issue BSP Life (Fiji) Limited a further 94 BSP Convertible Notes, subject to receipt of Shareholder approval.

Please refer to the background in Section 1.1 above and a summary of the material terms of the Note Subscription Agreement, together with terms and conditions of the BSP Convertible Notes, in Schedule 1.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of a further 94 BSP Convertible Notes.

2.2 General

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the 94 BSP Convertible Notes 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.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the 94 BSP Convertible Notes. In addition, the issue of the 94 BSP Convertible Notes 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 2 is not passed, the Company will not be able to proceed with the issue of the 94 BSP Convertible Notes and will need to seek other means to finance ongoing operations in Fiji, which are key to producing the products sold worldwide.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the 94 BSP Convertible Notes.

2.4 Dilution

Set out below is a worked example of the number of Shares that may be issued on conversion of the 94 BSP Convertible Notes under Resolution 2, using the conversion price of AUD\$0.15 per Share.

Conversion Price	Number of Shares that may be issued on conversion of the convertible notes ¹	Current Shares on issue as at the date of this Notice ²	Dilution effect on existing Shareholders
\$0.15	3,250,000	190,940,264	1.7%

Notes:

1. Rounded to the nearest whole number.
2. Based on the assumption that all of the 94 BSP Convertible Notes are converted at the same time.
3. There are currently 190,940,264 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities are converted (other than the BSP Convertible Notes the subject of this Resolution) and no other additional Shares are issued.
4. This table does not include the conversion of any interest.

Set out below is the dilutionary effect of the 94 BSP Convertible Notes if the 156 BSP Convertible Notes already issued are converted.

Securities	Number
Current Shares on issue	190,940,264
Conversion of 156 BSP Convertible Notes (totalling A\$812,500) at A\$0.15 into Shares (Resolution 1)	5,416,667
Conversion of 94 BSP Convertible Notes (totalling A\$487,500) at A\$0.15 into Shares (Resolution 2)	3,250,000
TOTAL	199,606,931

Conversion Price	Number of Shares that may be issued on conversion of the 94 BSP Convertible Notes	Current Shares on issue (assuming conversion of 156 BSP Convertible Notes)	Dilution effect on Shareholders
A\$0.15	3,250,000	196,356,931	1.65%

Conversion Price	Number of Shares that may be issued on conversion of all 250 BSP Convertible Notes	Current Shares on issue	Dilution effect on Shareholders
A\$0.15	8,666,667	190,940,264	4.54%

2.5 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 2:

- (a) the BSP Convertible Notes will be issued to BSP Life (Fiji) Limited (or its nominee);
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that BSP Life (Fiji) Limited (or its nominee):
 - (i) is not a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) be issued more than 1% of the issued capital of the Company
- (c) 94 BSP Convertible Notes will be issued;
- (d) the BSP Convertible Notes 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 BSP Convertible Notes will occur progressively in three tranches, to the extent able, over the three months following the date of the Meeting;
- (e) the BSP Convertible Notes will have a face value of FJD\$8,000 (equal to AUD\$5,200 based on a conversion rate of 0.65 AUD/FJD);
- (f) the BSP Convertible Notes are convertible into Shares;
- (g) the BSP Convertible Notes will be issued on the terms and conditions set out in Schedule 1;
- (h) the BSP Convertible Notes are not being issued under, or to fund, a reverse takeover;
- (i) any Shares issued on conversion of the BSP Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (j) the purpose of the issue of the BSP Convertible Notes is to raise FJD\$750,000 (equal to AUD\$487,500 based on a conversion rate of 0.65 AUD/FJD), which will be applied towards implementing the second Navua processing site for drinking kava and warehousing, development of the collection hubs in Savu Savu and Taveuni and for green kava procuremen in FY23, and
- (k) the BSP Convertible Notes will be issued to BSP Life (Fiji) Limited (or its nominee) under the Note Subscription Agreement. A summary of the material terms of the Note Subscription Agreement, together with terms and conditions of the BSP Convertible Notes, is set out in Schedule 1.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

3.1 Background

As announced on 3 May 2022, the Company issued 149 convertible notes (**May Convertible Notes**) to participating professional and sophisticated investors (**May Convertible Note Holders**). The key terms of the May Convertible Notes are set out in Schedule 2.

The Company engaged the services of Hall Capital Finance Pty Ltd (ACN 624 317 997) (AFSL 518039) (**Hall Capital**), to manage the issue of the May Convertible Notes. In consideration for Hall Capital's services, the Company has paid Hall Capital a cash fee of AUD\$7,500.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the May Convertible Notes.

The issue of the May Convertible Notes did not breach Listing Rule 7.1 at the time of issue.

3.2 General

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

As the issue of May Convertible Notes has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of the May Convertible Notes.

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 May Convertible Notes.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the May Convertible Notes.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the May Convertible Notes (and issue of any Shares on conversion of the May Convertible Notes) 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 with Shareholder approval over the 12 month period following the date of issue of the May Convertible Notes.

If Resolution 3 is not passed, the May Convertible Notes (and issue of any Shares on conversion of the May Convertible Notes) 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 May Convertible Notes.

3.4 Dilution

Set out below is a worked example of the number of Shares that may be issued on conversion of the May Convertible Notes under Resolution 3, using values of \$0.0405, \$0.0135 and \$0.027 being the closing price on 12 August 2022, and the volume weighted prices which are 50% higher and 50% lower than that price. To calculate the number of Shares that may be issued, discounted figures of \$0.034, \$0.011 and \$0.023 have been used, being an issue price which is a 15% discount to the volume weighted average price for Shares.

The May Convertible Notes have a face value of \$5,000 (**Subscription Amount**) which will convert into that number of Shares which, when multiplied by the issue price of a 15% discount to the 6-day VWAP prior to conversion (**Issue Price**), equals the outstanding Subscription Amount plus interest due and payable (**Subscription Shares**) or if mutually agreed between the Subscriber and the Company repaid in cash. The maximum conversion price is \$0.09.

Assumed VWAP	Assumed conversion price (15% discount to 6 day VWAP)	Number of Shares that may be issued on conversion of the convertible notes ¹	Current Shares on issue as at the date of this Notice ²	Dilution effect on existing Shareholders
\$0.0135	\$0.011	68,181,818	190,940,264	35%
\$0.027	\$0.023	32,391,304	190,940,264	17%
\$0.0405	\$0.034	21,911,765	190,940,264	11.5%

Notes:

1. Rounded to the nearest whole number.
2. Based on the assumption that all of the May Convertible Notes are converted at the same time.
3. There are currently 190,940,264 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities are converted (other than the May Convertible Notes the subject of this Resolution) and no other additional Shares are issued.
4. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.
5. This table does not include the conversion of any interest.

3.5 Technical Information Required by ASX Listing Rule 7.5

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

- (a) the May Convertible Notes were issued to professional and sophisticated investors who are clients of Hall Capital. The recipients were identified through a bookbuild process, which involved Hall Capital seeking

expressions of interest to participate in the capital raising from non-related parties of the Company;

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 149 May Convertible Notes were issued;
- (d) the May Convertible Notes were issued on 3 May 2022;
- (e) the face value of each of the May Convertible Notes was \$5,000;
- (f) the May Convertible Notes are convertible into Shares;
- (g) the terms and conditions of the May Convertible Notes are set out in Schedule 2;
- (h) any Shares issued on conversion of the May Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (i) the purpose of the issue of the May Convertible Notes was to raise \$745,000 which was applied towards production of finished products for Australian retail including Noble Kava, Noble Sleep, Noble Calm and Drinking Kava SKUs for launch in Coles and potentially Chemist Warehouse;
- (j) the May Convertible Notes Convertible Notes were issued to the recipients under Convertible Note Agreements. A summary of the material terms of the Convertible Note Agreements, together with terms and conditions of the May Convertible Notes, is set out in Schedule 2.

4. RESOLUTION 4 – APPROVAL TO ISSUE CONVERTIBLE NOTES

4.1 Background

As noted in its Appendix 4C released to ASX on 29 July 2022, the Company proposes to issue up to 2,500 convertible notes with the terms and conditions set out in Schedule 3 (**Convertible Notes**) to raise up to FJD\$20,000,000 (being up to AUD\$13,000,000 (based on a conversion rate of 0.65 AUD/FJD). The Company has engaged the services of Kontiki, to assist with the issue of the Convertible Notes. Kontiki will liaise with regulators in relation to raising capital in Fiji, draft offer documentation for investors, update research reports and assist with marketing the issue of the Convertible Notes. The Company has agreed to pay Kontiki a fee of 5% of the amount raised under the issue of the Convertible Notes for the first FJD\$5,000,000, 4% of the amount raised under the issue of the Convertible Notes for the next FJD\$5,000,000 and 3% of the amount raised under the issue of the Convertible Notes thereafter for these services.

The Convertible Notes will be issued to institutional investors to be introduced to the Company by Kontiki. The investors will be non-related parties of the Company.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Convertible Notes.

4.2 General

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Convertible Notes 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.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Convertible Notes. In addition, the issue of the Convertible Notes 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 4 is not passed, the Company will not be able to proceed with the issue of the Convertible Notes and will need to seek other means to finance ongoing operations in Fiji, which are key to producing the products sold worldwide.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Convertible Notes.

4.4 Dilution

Set out below is a worked example of the number of Shares that may be issued on conversion of the Convertible Notes under Resolution 4, using the conversion price of AUD\$0.10 per Share.

Conversion Price	Number of Shares that may be issued on conversion of the convertible notes ¹	Current Shares on issue as at the date of this Notice ²	Dilution effect on existing Shareholders
\$0.10	130,000,000	190,940,264	68%

Notes:

1. Rounded to the nearest whole number
2. Based on the assumption that all of the 94 BSP Convertible Notes are converted at the same time.
3. There are currently 190,940,264 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities are converted (other than the Convertible Notes the subject of this Resolution) and no other additional Shares are issued.
4. This table does not include the conversion of any interest.

4.5 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 4:

- (a) the Convertible Notes will be issued to institutional investors to be introduced to the Company by Kontiki. The investors will be non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 2,500 Convertible Notes will be issued;
- (d) the Convertible Notes 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 Convertible Notes will occur on the same date;
- (e) the Convertible Notes will have a face value of FJD\$8,000 (equal to AUD\$5,200 based on a conversion rate of 0.65 AUD/FJD);
- (f) the Convertible Notes are convertible into Shares;
- (g) the Convertible Notes will be issued on the terms and conditions set out in Schedule 3;
- (h) the Convertible Notes are not being issued under, or to fund, a reverse takeover;
- (i) any Shares issued on conversion of the BSP Convertible Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (j) the purpose of the issue of the Convertible Notes is to raise up to FJD\$20,000,000 (being up to AUD\$13,000,000, based on a conversion rate of 0.65 FJD/AUD), which will be applied towards capital works and purchase of new production facilities in Fiji, procurement and commissioning of production lines for processing of industrial hemp and kava beverage extract production in the facility, Fijian operations and inventory build, sales and marketing of branded products in the United States, Fiji and Australia and administration and compliance costs; and
- (k) the Convertible Notes are not being issued under an agreement.

5. POTENTIAL EFFECT OF RESOLUTIONS 1 – 4

If Resolutions 1 to 4 are approved, and all convertible notes are issued and converted into Shares, the effect on the current capital structure of the Company is as follows:

Securities	Number
Current Shares on issue	190,940,264
Conversion of 156 BSP Convertible Notes (totalling A\$812,500) at A\$0.15 into Shares (Resolution 1)	5,416,667
Conversion of 94 BSP Convertible Notes (totalling A\$487,500) at A\$0.15 into Shares (Resolution 2)	3,250,000
Conversion of 149 May Convertible Notes (totalling A\$745,000) at maximum conversion price of A\$0.09 into Shares (Resolution 3)	8,277,778
Conversion of 2,500 Convertible Notes (totalling A\$13,000,000) at A\$0.10 into Shares (Resolution 4)	130,000,000
Total Shares on issue	337,884,709

The above would result in current Shareholders being diluted by approximately 43.5%.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

6.1 General

On 2 December 2021, the Company issued 1,000,000 Shares at an issue price of \$0.12 per Share to raise \$120,000 (**December 2021 Placement Shares**).

The December 2021 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 23 November 2021.

The issue of the December 2021 Placement Shares did not breach Listing Rule 7.1A at the time of issue.

6.2 Listing Rules 7.1 and 7.1A

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the December 2021 Placement Shares 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 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the December 2021 Placement Shares.

6.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the December 2021 Placement Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the December 2021 Placement Shares.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the December 2021 Placement Shares 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 December 2021 Placement Shares.

If Resolution 5 is not passed, the December 2021 Placement Shares 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 December 2021 Placement Shares.

6.5 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 5:

- (a) the December 2021 Placement Shares were issued to Gormco Pty Ltd as trustee for The Gorman Family A/C;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient is not:
 - (i) a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the Company, adviser of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) 1,000,000 December 2021 Placement Shares were issued and the December 2021 Placement Shares issued were all 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 December 2021 Placement Shares were issued on 2 December 2021;
- (e) the issue price was \$0.12 per December 2021 Placement Share. The Company has not and will not receive any other consideration for the issue of the December 2021 Placement Shares;
- (f) the purpose of the issue of the December 2021 Placement Shares was to raise \$120,000, which was applied towards working capital and business to business sales and marketing; including the national advertising campaign associated with launching products in Coles and Chemist Warehouse; and
- (g) the December 2021 Placement Shares were not issued under an agreement.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1A

7.1 General

On 12 April 2022, the Company issued 1,000,000 Shares at an issue price of \$0.12 per Share to raise \$120,000 (**April 2022 Placement Shares**).

The April 2022 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 23 November 2021.

The issue of the April 2022 Placement Shares did not breach Listing Rule 7.1A at the time of issue.

7.2 Listing Rules 7.1 and 7.1A

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the April 2022 Placement Shares 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 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the April 2022 Placement Shares.

7.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the April 2022 Placement Shares.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the April 2022 Placement Shares.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the April 2022 Placement Shares 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 April 2022 Placement Shares.

If Resolution 6 is not passed, the April 2022 Placement Shares 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 April 2022 Placement Shares.

7.5 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 6:

- (a) the April 2022 Placement Shares were issued to Gormco Pty Ltd as trustee for The Gorman Family A/C;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, at the time of issue of the April 2022 Placement Shares:
 - (i) Ryan Gorman, a shareholder of Gormco Pty Ltd and beneficiary of The Gorman Family A/C, was a director of Fiji Kava Inc. (USA) and an employee of IMCD-Network Nutrition, the Company's exclusive sales agent for its Kavaton™ extract; and
 - (ii) was issued more than 1% of the issued capital of the Company;
- (c) 1,000,000 April 2022 Placement Shares were issued and the April 2022 Placement Shares issued were all 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 April 2022 Placement Shares were issued on 12 April 2022;

- (e) the issue price was \$0.12 per April 2022 Placement Share. The Company has not and will not receive any other consideration for the issue of the April 2022 Placement Shares;
- (f) the purpose of the issue of the April 2022 Placement Shares was to raise \$120,000, which was applied towards building inventory for launch of drinking kava in Chemist Warehouse in the first quarter of financial year 2023.; and
- (g) the April 2022 Placement Shares were not issued under an agreement.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

8.1 General

On 1 December 2021, the Company issued 1,000,000 Options at an issue price of \$0.005 per Option to raise \$5,000 (**December 2021 Options**).

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the December 2021 Options 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 December 2021 Options.

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 December 2021 Options.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the December 2021 Options.

The issue of the December 2021 Options did not breach Listing Rule 7.1 at the time of issue.

8.2 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the December 2021 Options 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 December 2021 Options.

If Resolution 7 is not passed, the December 2021 Options 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 December 2021 Options.

8.3 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 7:

- (a) the December 2021 Options were issued to Gormco Pty Ltd as trustee for The Gorman Family A/C;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, at the time of issue of the December 2021 Options:
 - (i) Ryan Gorman, a shareholder of Gormco Pty Ltd and beneficiary of The Gorman Family A/C, was a director of Fiji Kava Inc. (USA) and an employee of IMCD-Network Nutrition, the Company's exclusive sales agent for its Kavaton™ extract; and
 - (ii) was not issued more than 1% of the issued capital of the Company;
- (c) 1,000,000 December 2021 Options were issued and the December 2021 Options were issued on the terms and conditions set out in Schedule 4;
- (d) the December 2021 Options were issued on 1 December 2021;
- (e) the issue price was \$0.005 per December 2021 Option. The Company has not and will not receive any other consideration for the issue of the December 2021 Options (other than in respect of funds received on exercise of the December 2021 Options);
- (f) the purpose of the issue of the December 2021 Options was to raise \$5,000, which was applied towards working capital; and
- (g) the December 2021 Options were not issued under an agreement.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LISTING RULE 7.1

9.1 General

On 12 April 2022, the Company issued 1,000,000 Options at an issue price of \$0.005 per Option to raise \$5,000 (**April 2022 Options**).

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the April 2022 Options 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 April 2022 Options.

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 April 2022 Options.

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the April 2022 Options.

The issue of the April 2022 Options did not breach Listing Rule 7.1 at the time of issue.

9.2 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the April 2022 Options 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 April 2022 Options.

If Resolution 8 is not passed, the April 2022 Options 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 April 2022 Options.

9.3 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 8:

- (a) the April 2022 Options were issued to Gormco Pty Ltd as trustee for The Gorman Family A/C;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, at the time of issue of the April 2022 Options:
 - (i) Ryan Gorman, a shareholder of Gormco Pty Ltd and beneficiary of The Gorman Family A/C, was a director of Fiji Kava Inc. (USA) and an employee of IMCD-Network Nutrition, the Company's exclusive sales agent for its Kavaton™ extract; and
 - (ii) was not issued more than 1% of the issued capital of the Company;
- (c) 1,000,000 April 2022 Options were issued and the April 2022 Options were issued on the terms and conditions set out in Schedule 4;
- (d) the April 2022 Options were issued on 12 April 2022;
- (e) the issue price was \$0.005 per April 2022 Option. The Company has not and will not receive any other consideration for the issue of the April 2022 Options (other than in respect of funds received on exercise of the April 2022 Options);
- (f) the purpose of the issue of the April 2022 Options was to raise \$5,000, which was applied towards working capital; and
- (g) the April 2022 Options were not issued under an agreement.

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

10.1 General

On 4 August 2022, the Company issued 7,500,000 Shares at an issue price of \$0.03 per Share to raise \$225,000 (**August 2022 Placement Shares**).

The August 2022 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 23 November 2021.

The issue of the August 2022 Placement Shares did not breach Listing Rule 7.1A at the time of issue.

10.2 Listing Rules 7.1 and 7.1A

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the August 2022 Placement Shares 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 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the August 2022 Placement Shares.

10.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the August 2022 Placement Shares.

Resolution 9 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the August 2022 Placement Shares.

10.4 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the August 2022 Placement Shares 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 August 2022 Placement Shares.

If Resolution 9 is not passed, the August 2022 Placement Shares will be included in calculating the Company's 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 August 2022 Placement Shares.

10.5 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 9:

- (a) the August 2022 Placement Shares were issued to Gormco Pty Ltd as trustee for The Gorman Family A/C;
- (a) in accordance with paragraph 7.4 of ASX Guidance Note 21, at the time of issue of the April 2022 Placement Shares:
 - (i) Ryan Gorman, a shareholder of Gormco Pty Ltd and beneficiary of The Gorman Family A/C, was a director of Fiji Kava Inc. (USA) and an employee of IMCD-Network Nutrition,

the Company's exclusive sales agent for its Kavaton™ extract;
and

- (ii) was issued more than 1% of the issued capital of the Company;
- (b) 7,500,000 August 2022 Placement Shares were issued and the August 2022 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the August 2022 Placement Shares were issued on 4 August 2022;
- (d) the issue price was \$0.03 per August 2022 Placement Share. The Company has not and will not receive any other consideration for the issue of the August 2022 Placement Shares;
- (e) the purpose of the issue of the August 2022 Placement Shares was to raise \$225,000, which will be applied towards production of first batches of noble kava and drinking kava in the United States for Amazon and retailer launches in the first quarter of financial year 2023; and
- (f) the August 2022 Placement Shares were not issued under an agreement.

11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES IN CONSIDERATION FOR SERVICES

11.1 General

On 8 March 2022, the Company issued 486,092 Shares in consideration for Wolfgang Kuchen acting as company director of Fiji Kava Inc. (USA), recruitment services in identifying and securing Managing Director for Fiji Kava Inc. (USA) and advisory services in relation to the acquisition of Danodan Hempworks LLC for the period 1 July 2021 to 30 June 2022 (**Kuchen Shares**). The Kuchen Shares were issued in lieu of cash fees owing to Wolfgang Kuchen under the term sheet between Fiji Kava Inc. (USA) and Mr Kuchen dated 18 August 2021 (**Appointment Letter**).

The key terms of the Appointment Letter are as follows:

- (a) Wolfgang Kuchen will act as an Executive Director and Marketing Advisor of Fiji Kava Inc. (USA) commencing on 1 July 2021.
- (b) Wolfgang Kuchen's responsibilities include: advising on marketing strategy sales strategy and market intelligence in the USA and directorial duties and activities specifically in relation to USA business activities.
- (c) Wolfgang Kuchen's fees for FY22 were as follows: AUD\$7,000 per month for marketing advisory fees and AUD\$1,333 per month for Fiji Kava Inc (USA) director fees.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the Kuchen Shares 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 Kuchen Shares.

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 Kuchen Shares.

Resolution 10 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Kuchen Shares.

The issue of the Kuchen Shares did not breach Listing Rule 7.1 at the time of issue.

11.2 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Kuchen Shares 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 Kuchen Shares.

If Resolution 10 is not passed, the Kuchen Shares 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 Kuchen Shares.

11.3 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 10:

- (a) the Kuchen Shares were issued to Wolfgang Kuchen;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient is not:
 - (i) a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the

Company, adviser of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) 486,092 Kuchen Shares were issued and the Kuchen Shares issued were all 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 Kuchen Shares were issued on 8 March 2022;
- (e) the Kuchen Shares were issued at a nil issue price (but with a deemed issue price of \$0.06 per Kuchen Share), in consideration for acting as company director of Fiji Kava Inc. (USA), recruitment services in identifying and securing Managing Director for Fiji Kava Inc. (USA) and advisory services in relation to the acquisition of Danodan Hempworks LLC and a range of other acquisition targets in the USA. The Company has not and will not receive any other consideration for the issue of the Kuchen Shares;
- (f) the purpose of the issue of the Kuchen Shares was to remunerate Mr Kuchen for the services set out above, provided under the Appointment Letter for the period between 1 July 2021 and 30 June 2022; and
- (g) the Kuchen Shares were issued in lieu of cash fees owing to Wolfgang Kuchen under the Appointment Letter summarised in Section 11.1. No cash payments will be made to Wolfgang Kuchen as the Kuchen Shares are being issued in lieu of cash fees.

12. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF SHARES IN CONSIDERATION FOR SERVICES

12.1 General

On 8 March 2022, the Company issued 660,000 Shares in consideration investor relations services provided by Sparke Plus Pte Ltd (**Sparke Shares**). The Sparke Shares were issued pursuant to an engagement letter between the Company and Sparke Plus Pte Ltd pursuant to which Sparke Plus Pte Ltd provided a six-month virtual roadshow package for the period of 1 July 2021 to 31 December 2021 (**Engagement Letter**).

Pursuant to the Engagement Letter:

- (a) Sparke Plus Pte Ltd provided the following services to the Company: virtual roadshows, investor feedback, media pitching, social media coverage, assessing various financing options, groups webinars and research coverage.
- (b) The Company agreed to issue Sparke Plus Pte Ltd with Shares in consideration for provision of the services set out above.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

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 obtained approval to increase its limit to 25% at the annual general meeting held on 23 November 2021.

The issue of the Sparke Shares 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 Sparke Shares.

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 Sparke Shares.

Resolution 11 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Sparke Shares.

The issue of the Sparke Shares did not breach Listing Rule 7.1 at the time of issue.

12.2 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the Sparke Shares 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 Sparke Shares.

If Resolution 11 is not passed, the Sparke Shares 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 Sparke Shares.

12.3 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 11:

- (a) the Sparke Shares were issued to Sparke Plus Pte Ltd;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient is not:
 - (i) a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the

Company, adviser of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company;
- (c) 660,000 Sparke Shares were issued and the Sparke Shares issued were all 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 Sparke Shares were issued on 8 March 2022;
- (e) the Sparke Shares were issued at a nil issue price (but with a deemed issue price of \$0.0637 per Sparke Share), in consideration for arranging Singapore investor roadshows, preparing investor relations materials including video presentations, introducing and facilitating new distributor meetings in Asia, facilitating supplier and technical meetings related to beverage product R&D in Asia and investor relations services provided by Spark Plus Pte Ltd pursuant to the Engagement Letter. The Company has not and will not receive any other consideration for the issue of the Sparke Shares;
- (f) the purpose of the issue of the Sparke Shares was to satisfy the Company's obligations under the Engagement Letter, i.e. in consideration for the services provided by Spark Plus Pte Ltd set out above; and
- (g) the Sparke Shares were issued pursuant to the Engagement Letter summarised in Section 12.1 above.

13. RESOLUTION 12 – AMENDMENT TO CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 12 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**).

The Amended Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to minimum securities holdings in clause 3.3 to extend to all securities;
- (b) providing greater flexibility as to who can act as chairperson of a general meeting (or part of the meeting); and
- (c) amending the deemed receipt provision so that deemed receipt by post is the day after posting and that all deemed receipt can be later if required by the Corporations Act or the Listing Rules.

The Amended Constitution also includes a new provision 14A to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to

Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

14. RESOLUTION 13 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 13 seeks the approval of Shareholders for the Company to change its name to "The Calmer Co Limited".

The Board proposes this change of name on the basis that it believes the proposed name more accurately reflects the future operations of the Company.

The proposed name has been reserved by the Company with ASIC and if Resolution 13 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If Resolution 13 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

15. RESOLUTION 14 – APPROVAL TO ISSUE SHARES – FUTURE PLACEMENT

15.1 General

The Company is proposing to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$4,000,000 (**Future Placement**).

The Company has engaged the services of Novus Capital Limited (ACN 006 711 995) (AFS Licence No 238168), to manage the issue of the Future Placement. The Company will pay Novus Capital Limited a fee of 6% (exclusive GST) on the amount raised under the Future Placement.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The proposed issue of the Future Placement Shares does not fall within any of these exceptions and may exceed the 15% limit in Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of the Future Placement.

15.2 Technical information required by Listing Rule 14.1A

The issue of the Future Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and whilst the number of Future Placement Shares may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Future Placement Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issue equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 14 is passed, the Company will be able to proceed with the issue of the Future Placement Shares. In addition, the issue of the Future Placement Shares 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 14 is not passed, the Company may not be able to proceed with the issue of the Future Placement Shares and will need to seek other means to finance inventory build of new functional beverage products and sales and marketing costs associated with a strategic brand acquisition in the USA.

Resolution 14 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Future Placement Shares.

15.3 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 14:

- (a) The Future Placement Shares will be issued to professional and sophisticated investors who are clients of Novus Capital Limited. The recipients will be identified through a bookbuild process, which will involve Novus Capital Limited seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Future Placement Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$4,000,000. The Future Placement 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 Future Placement Shares 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 Future Placement Shares will occur on the same date;
- (e) the issue price of the Future Placement Shares will be equal to or greater than 75% of the volume weighted average market price of Shares calculated over the 5 trading days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 trading days on which sales in the securities were recorded before the date the prospectus is signed. The Company will not receive any other consideration for the issue of the Future Placement Shares;
- (f) the purpose of the issue of the Future Placement Shares is to raise \$4,000,000. The Company intends to apply the funds raised from the issue as set out in Section 15.5 below;
- (g) the Future Placement Shares are not being issued under an agreement; and

- (h) the Future Placement Shares are not being issued under, or to fund, a reverse takeover.

15.4 Dilution

Set out below is a worked example of the number of Future Placement Shares that may be issued under Resolution 14 based on an assumed issue prices of \$0.0405, \$0.0135 and \$0.027 per Future Placement Share, being the closing price of Shares on 12 August 2022 (**Closing Price**) and prices which are 50% higher and 50% lower than that price. To calculate the number of Shares that may be issued, discounted figures of \$0.03, \$0.01 and \$0.02 have been used, being an issue price, which is a 25% discount to the Closing Price.

Assumed issue price	Maximum number of Shares which may be issued ¹	Current Shares on issue as at the date of this Notice ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 14 ³	Dilution effect on existing Shareholders
\$0.03	133,333,333	190,940,264	324,273,597	41.12%
\$0.01	400,000,000	190,940,264	590,940,264	67.69%
\$0.02	200,000,000	190,940,264	390,940,264	51.16%

Notes:

- 1 Rounded to the nearest whole number.
- 2 There are currently 190,940,264 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or] additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 14 (based on the assumed issue prices set out in the table).
5. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

15.5 Use of Funds

The table below set out the Company's intended use of funds raised by the issue of the Future Placement Shares over a period of approximately 12 months assuming that the Company \$4,000,000.

Intended use of funds	\$	%
Inventory build ¹	\$2,000,000	50%
Sales and marketing costs ²	\$500,000	12.5%
Working capital ³	\$1,260,000	31.5%
Expenses of the Future Placement	\$240,000	6%
Total	\$4,000,000	100%

Notes:

1. Comprising of production of new functional beverage products associated with a strategic brand acquisition in the USA.
2. Comprising of personnel, advertising and marketing associated with a strategic brand acquisition in the USA.
3. Comprising of administration costs, head office costs and compliance costs across the group.

GLOSSARY

AUD\$ or **\$** means Australian dollars.

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.

ASX Listing Rules means the Listing Rules of ASX.

BSP Convertible Notes has the meaning given in Section 1.1.

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 Fiji Kava Limited (ACN 169 441 874).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

FJD\$ means Fijian dollars.

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

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.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

VWAP means volume-weighted average price.

SCHEDULE 1 – MATERIAL TERMS AND CONDITIONS OF BSP CONVERTIBLE NOTES AND NOTE SUBSCRIPTION AGREEMENT (RESOLUTIONS 1 AND 2)

Terms and Conditions of Notes

A summary of the material terms of the Note Subscription Agreement and BSP Convertible Notes is set out below:

1. Definitions and interpretation

1.1 Definitions

Capitalised terms in these Conditions have the meaning set out in the Clause 1, unless otherwise defined.

In these Conditions, unless the context requires otherwise:

Affiliate means in respect of a Noteholder:

- (a) any person that Controls or is Controlled by the Noteholder;
- (b) any Related Body Corporate of the Noteholder;
- (c) in the case of a Noteholder that is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or is a nominee of that Investment Fund:
 - (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
 - (ii) any other Investment Fund managed or advised by the same Fund Manager;
 - (iii) any Related Body Corporate of the Fund Manager; or
 - (iv) any trustee, nominee or custodian of such Investment Fund and vice versa.

Control:

- (a) of a company by a person means:
 - (i) the person determines the composition of the board of directors of the company or has the capacity to do so;
 - (ii) the board of directors of the company is accustomed to act in accordance with the instructions, directions or wishes of the person; or

- (iii) the person holds or owns (alone or with its Affiliates):
 - (A) the majority of the issued shares of the company;
 - (B) the majority of the issued shares of the ultimate holding company of the company; or
 - (C) the majority of any securities or other rights granted by the company entitling holders to distributions based on the profits, earnings or net liquidation proceeds of the company; and
- (b) of a trust by a person, means:
 - (i) the person is the sole trustee of the trust;
 - (ii) the composition of the board of directors of any trustee company of the trust is determined by the person or the person has the capacity to do so;
 - (iii) the board of directors of any trustee company of the trust is accustomed to act in accordance with the instructions, directions or wishes of the person; or
 - (iv) the person holds or owns (alone or with its Affiliates):
 - (A) the majority of the issued shares of any trustee company of the trust;
 - (B) the majority of the issued shares of the ultimate holding company of any trustee company of the trust; or
 - (C) the majority of the units, securities or other rights granted by the trust which entitle holders to distributions from the trust;

Conversion Event means the first to occur of:

- (a) a takeover bid which is recommended unanimously by the FIJ board; or
- (b) the Maturity Date.

Conversion Price means AUD\$0.15.

Encumbrance means:

- (a) any:
 - (i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or
 - (ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

- (b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset; or
- (c) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in paragraphs (a) or (b).

Fund Manager means a person whose principal business is to make, manage or advise upon investments in securities.

Insolvency Event means the occurrence of any one or more of the following events in relation to the Company or a subsidiary of the Company:

- (a) an application is made to a court for an order that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 21 days of being made;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator or a controller is appointed to any of its assets;
- (d) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;
- (e) it proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (f) it is insolvent as disclosed in its accounts, or otherwise states that it is insolvent, or it is presumed to be insolvent under an applicable Law;
- (g) it becomes an insolvent under administration or action is taken which could result in that event;
- (h) a writ of execution is levied against it or a material part of its property; or
- (i) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the above clauses of this definition.

Issue Date means the date on which Notes are first issued under this agreement.

Maturity Date means the date that is the 60-month anniversary of the Issue Date.

Outstanding Amount means the total Face Value in respect of all of a Noteholder's Notes.

Related Body Corporate has the meaning given in the Companies Act.

Shares means a share in the capital of the Company.

1.2 Interpretation

In these Conditions, the provisions of clause 2 (*Interpretation*) are incorporated by reference as if set out in full in these Conditions.

2. Status of Notes

Save as stated in these Conditions, the Notes constitute a direct and unconditional obligation of the Company to repay the Outstanding Amount.

3. Interest

The Notes bear interest at the rate of 5.0% per annum, payable quarterly.

4. Conversion

- (a) Subject to Condition 5 and Condition 6(c), the Notes will automatically convert into Shares immediately upon the occurrence of a Conversion Event.
- (b) On conversion of the Notes:
 - (i) the Company will be deemed to redeem each of the Notes which are being converted; and
 - (ii) the holder of those Notes irrevocably and unconditionally directs the Company to apply the whole of the Outstanding Amount payable to the Noteholder on redemption in subscribing for the number of Shares calculated on the basis of the Conversion Price; and
 - (iii) the Company will allot and issue to the Noteholder the number of Shares calculated under this Condition 4 fully paid and free from all Encumbrances.
- (c) The Company must, not later than 3 Business Days after allotment and issue of Shares on conversion of the Notes, send to each Noteholder a certificate for the number of Shares allotted and issued on conversion of the relevant Notes.

5. Compliance with law on conversion

Notwithstanding any other provision of these Conditions, a Note will not be capable of conversion, and no such purported conversion will have any effect if the Noteholder would be in breach by of any applicable Law as a result of such conversion;

For the avoidance of doubt, where this Condition 5 prevents the conversion of a Note, it will not apply to any other Notes the subject of the Conversion Event.

6. Redemption

- (a) The Company will give written notice to each of the Noteholders promptly after the Company becomes aware that an Insolvency Event has occurred, giving reasonable details of that event.

- (b) The Company will redeem all of the Notes on issue in accordance with Condition 6(c) immediately on the occurrence of an Insolvency Event.
- (c) No later than three months prior to the Maturity Date, a Noteholder may notify the Company in writing that it wishes to redeem its Notes, in which case the Company will redeem the Notes held by that Noteholder in accordance with Condition 6(c).
- (d) If the Notes are to be redeemed under Condition 6(b) the Company must redeem the relevant Notes by paying to each relevant Noteholder an amount equal to the Outstanding Amount in respect of the Notes held by that Noteholder.
- (e) If the Notes are to be redeemed under Condition 6(c), the Company must redeem the relevant Notes by paying to each relevant Noteholder an amount equal to 105% of the Outstanding Amount of the Notes held by that Noteholder.
- (f) Each relevant Noteholder whose Notes are redeemed must deliver the Certificate for its Notes to the Company or, if a Certificate is lost, stolen, mutilated, defaced or destroyed, such evidence, indemnity and/or security as the Company may reasonably require.

7. Adjustments

If, prior to the conversion of any Notes, the Company makes any reconstruction of its share capital, including without limitation a consolidation, share split, share dividend, bonus issue or capital reduction, the number of Shares into which a Note may be converted or the price at which the Notes convert must be reconstructed in the same manner so that on conversion each Noteholder is entitled to receive the same proportion of total shares of the Company on issue or the paid up capital of the Company as would have been the case if that event had not occurred event. The Company must take all necessary or desirable actions to ensure that Noteholders are not disadvantaged or advantaged by the operation of this Condition 7 if the Company makes any reconstruction of its share capital.

8. Voting and other rights

Until conversion of a Note occurs, that Note does not give the Noteholder any voting, dividend or any related rights in respect of the Company, provided that nothing in this clause limits or affects any rights of a Noteholder under the terms of this agreement.

9. Transfers

- (a) A Noteholder:
 - (i) may transfer any Notes to any of its Affiliates; and
 - (ii) may not transfer any Notes to any other person except with the prior written consent of the Company.
- (b) Notes are transferrable in integral multiples of the Face Value by instrument in writing in the usual common form (or in such other form as

the Company's directors may approve) and signed by the transferor and the transferee. Every instrument of transfer must be sent to the registered office of the Company for the time being and must be accompanied by the Certificate(s) for the Notes to be transferred.

- (c) Title to the Notes passes when the issue or transfer of the Notes is registered in the register of Noteholders.
- (d) Except as ordered by a court of competent jurisdiction or as required by applicable Law:
 - (i) the Company may treat the person who is registered as a Noteholder as the absolute owner of the Notes and is not required to obtain any proof of ownership as to the identity of a Noteholder; and
 - (ii) the Company is not required to recognise or give effect to any legal or equitable interest in the Notes not entered on the register notwithstanding that the Company may have actual or constructive notice thereof.

10. Payments

1.1 Payment by Company

- (a) All payments to be made by the Company in relation to the Notes will be made in immediately available funds.
- (b) Where a payment to be made by the Company in relation to the Notes falls due on a day which is not a Business Day, the payment must be made on the immediately following Business Day.
- (c) All payments to be made by the Company in relation to the Notes, must be made unconditionally and in full without:
 - (i) set-off or counter claim; or
 - (ii) deduction or withholding for tax or another reason, unless the deduction or withholding is required by applicable Law.
- (d) A penalty interest rate of 7% p.a. compounding daily shall apply for any late payment in relation to the Notes.

11. Miscellaneous

11.1 Notices

A notice or other communication given in relation to the Notes including, but not limited to, a request, demand, consent or approval, to or by the Company or a Noteholder must be given in accordance with clause 10.1.

11.2 Board representation

For the term of the Notes and provided the Investor retains ownership of the Notes during the term, the Investor shall be entitled to nominate one person to

the board of South Pacific Elixirs Pte Limited, the wholly-owned Fiji subsidiary of the Company.

Terms are 5 years 5% interest paid quarterly as cash, conversion maturity at 10c or repaid as cash if mutually agreed. For the term of this agreement, the Company will provide regular reports to the Investor on the performance of the Company, including its financial and business performance. These reports will include quarterly half yearly and annual reports (including audited financial statements) in line with the Company's reporting schedule on the Australian Stock Exchange.

11.3 Use of proceeds

The Company must use the Subscription Moneys for no purpose other than for capital expenditure and general working capital purposes of the Business in Fiji. The Subscription Moneys will be utilised solely within Fiji.

11.4 Intellectual Property

A party to this Agreement shall not use the name or marks of, refer to, or identify the other party (or any related entity) in any publicity releases, interviews, promotional or marketing materials, public announcements, testimonials or advertising without the prior written approval of authorized representatives of the other party (which approval a party may withhold in its sole discretion), except no such written approval is required to the extent any such disclosure is required by law.

11.5 Duties and taxes

- (a) The Company must bear any stamp duty payable upon or in connection with the issue, conversion or redemption of any Notes.
- (b) Each Noteholder must bear any duties or taxes which may become payable in connection with the transfer or any other dealing by the Noteholder with its Notes.

11.6 Governing law and jurisdiction

- (a) The Notes are governed by the laws of the Republic of Fiji.
- (b) The Company and each Noteholder irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of the Republic of Fiji.

Note Subscription Agreement

BSP Life (Fiji) Limited (**BSP Life**) agreed to subscribe for the Notes pursuant to a Note Subscription Agreement with the Company dated 28 February 2022. Pursuant to the Note Subscription Agreement:

- (a) The Company agrees to issue and BSP Life agrees to subscribe for the Notes as follows:
 - (i) FJD\$1,000,000 on completion; and

- (ii) FJD\$1,000,000 divided into equal quarterly instalments over the 12 month period following completion, or as otherwise mutually agreed by the parties.
- (b) The Notes will rank *pari passu* among themselves, each have a face value equal to the Face Value and are unsecured obligations of the Company.
- (c) No application has been made or is intended to be made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.
- (d) On the completion date, the Company must issue the notes to BSP Life free from any security interest, enter the name of BSP Life in the Company's register of noteholders as the holder of the Notes and issue a certificate to BSP Life for the Notes.
- (e) The laws of Fiji govern the Note Subscription Agreement.

The Note Subscription Agreement otherwise includes warranties from the Company and BSP Life, liabilities and limitations on liability, termination and confidentiality provisions considered standard for an agreement of this nature.

SCHEDULE 2 – MATERIAL TERMS AND CONDITIONS OF MAY CONVERTIBLE NOTES (RESOLUTION 3)

A summary of the material terms of the Convertible Note Agreement and May 2022 Convertible Notes is set out below:

- (a) **(Subscription):** The Subscriber hereby subscribed and the Company hereby agrees to issue the Subscriber a Convertible Note on the terms and conditions of this Agreement.
- (b) **(Face Value):**
 - (i) The Convertible Notes have a total face value of AUD\$745,000 **(Subscription Amount)** which will convert into that number of Shares which, when multiplied by the issue price of a 15% discount to the 6 day VWAP prior to conversion **(Issue Price)**, equals the outstanding Subscription Amount plus interest due and payable **(Subscription Shares)** or if mutually agreed between the Subscriber and the Company repaid in cash **(Cash)**.
 - (ii) The Maximum conversion price is \$0.09.
 - (iii) The Minimum parcel is the total Subscription Amount.
- (c) **(Subscription):**
 - (i) The date of subscription for the Convertible Notes will be 7 days after the date of this Agreement **(Subscription Date)**, at which time the Subscriber must pay the Subscription Amount to the Company.
 - (ii) As soon as practicable after the Subscription Date, the Company must issue to the Subscriber the Convertible Note Certificate to the Subscriber as evidence of the issue of the Convertible Note to the Subscriber.
 - (iii) For the avoidance of doubt, no further application for the Convertible Note by the Subscriber is required, and the execution of this Agreement will be deemed to be a valid application for the issue of the Convertible Note on the terms and conditions outlined in this Agreement.
- (d) **(Term and Maturity Date):** Unless previously redeemed, converted or purchased and cancelled, as mutually agreed between the Subscriber and the Company in accordance with this Agreement, the Convertible Note will be redeemed on that date which is 18 months after the Subscription Date **(Maturity Date)** and the Company must repay, by issuing Subscription Shares for the whole of the Subscription Amount, plus interest due and payable, to the Subscriber within 4 business days from the Maturity Date. No conversion can occur prior to 5 months from Subscription Date.
- (e) **(Early Repayment):**
 - (i) The Subscription Amount may, at the mutual election of the Company and Subscriber, be fully and finally repaid in one sum prior to the Maturity Date. The Subscription Amount may be repaid in cash or Subscription Shares.

- (ii) If early repayment is made, the Company must also pay, at the same time, the total amount of interest that would otherwise have been payable at Maturity Date in the selected repayment method.
- (f) **(Effect of Payment Following Maturity Date):**
- (i) Payment of the Subscription Amount (plus interest, as applicable), shall be deemed to fully satisfy all of the Company's obligations to the Subscriber with respect to the repayment of the Subscription Amount and any other obligations under the Convertible Note.
 - (ii) The Subscription Amount can only be repaid in accordance with this Agreement.
- (g) **(Security):** The Convertible Note will be unsecured and the Subscriber will rank equally with all other unsecured creditors of the Company.
- (h) **(Interest Bearing):** Interest shall accrue on a daily basis at the rate of 7% per annum on the outstanding Subscription Amount, be capitalised at monthly intervals and be payable at the time of repayment of the Subscription Amount **(Interest)**.
- (i) **(Redemption):** The Convertible Note can only be redeemed upon mutual agreement between the Subscriber and the Company prior to the Maturity Date or automatically on the Maturity Date. If an Event of Default is not remedied within 30 days, the Noteholder may either redeem its Notes effective immediately at 100% of the Issue Price plus any accrued and unpaid interest or Convert its Notes at the Conversion Price.

In the event of a transaction that would result in a change of control of the Company, the Company will provide the Subscriber with notice of its intent to complete the transaction. The Subscriber must within 5 business days from the date of notice elect to:

- (i) convert its Notes into fully paid ordinary shares in the Issuer at the Discount Price (with such necessary to make it applicable to the change of control transaction); or
 - (ii) redeem its Notes for 100% of the Issue Price plus any accrued and unpaid interest
- (j) **(Conversion):**
- (i) The Convertible Note is convertible into Subscription Shares **(Conversion)** at any time from 5 months after the Subscription Date, or otherwise if the Subscriber and the Company mutually agree, and upon the Company providing the Subscriber with written notice that the Company intends to convert the Convertible Note into Subscription Shares or be repaid in Cash **(Conversion Election)**. Such an election can be made at any time up to 7 days prior to the Maturity Date, with interest to be calculated based on Conversion occurring on the Maturity Date. The Minimum Conversion amount is the Subscription Amount. The maximum conversion price is 9 cents.
 - (ii) Following Conversion, the Company must arrange prompt and in any event not later than 2 business days following the Conversion, for the payment of Cash into the Subscribers nominated bank account or

delivery of a share certificate for those Subscription Shares to the Subscriber.

- (iii) The conversion of the Convertible Note into Cash or Shares operates in satisfaction of the Company's obligation to the Subscriber in respect of the Subscription Sum and accrued interest on that portion of the Convertible Note so converted.
- (k) **(Effect of Conversion):**
 - (i) Conversion of the Convertible Note into Subscription Shares or Cash shall be deemed to fully satisfy all of the Company's obligations to the Subscriber with respect to the repayment of the Subscription Amount and any other obligations under the Convertible Note.
 - (ii) The Convertible Note can only convert in accordance with the terms of this Agreement.
- (l) **(Ordinary Shares Ranking):** The Subscription Shares issued on Conversion will be fully paid, will be unencumbered and will rank *pari passu* in all respects with the fully paid ordinary shares in the Company on issue on Conversion.
- (m) **(Voting Rights):** The Subscriber will not have any voting rights prior to Conversion.
- (n) **(Reorganisation):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Convertible Notes will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **(Covenants):** The Company covenants to the Subscribers the following:
 - (i) the Company will not reduce or attempt to reduce its capital without prior consent of the Subscribers;
 - (ii) the Company will promptly notify the Subscribers:
 - (A) of any security created over its assets; or
 - (B) if it becomes aware that it holds any assets on trust;
 - (iii) the Company will carry on and conduct its business in a proper and efficient manner;
 - (iv) the Company will not pay any dividend without prior consent of the Subscribers;
 - (v) the Company will insure its assets against all material risks;
 - (vi) the Company shall maintain up to date records and audited annual accounts;
 - (vii) the Company shall not conduct a new related party transaction which requires shareholder approval under the Corporations Act without also obtaining Subscribers approval;

- (viii) the Company shall not make a loan to a third party, except in ordinary course of business;
 - (ix) if an Event of Default occurs, the Company has (where remedy is possible) thirty (30) calendar days from the commencement of the default to remedy it;
 - (x) the Company shall not make a repayment of a shareholder loan while there are any amounts owing in respect of the Notes except as contemplated by the Use of Proceeds above or in the ordinary course of business; and
 - (xi) the Company shall maintain all authorisations and comply with all applicable laws.
- (p) **(Default Events):** The following is a list of Default Events:
- (i) if the Company defaults in the payment of any monies owing in respect of the Notes and default continues unremedied by the Issuer for one month after demand is made;
 - (ii) a breach of this Agreement which has not been remedied within 30 calendar days of receiving notice of the breach;
 - (iii) if the Issuer fails to give effect to the Subscriber's notice to convert a Note within the time specified within the Note conditions;
 - (iv) if any representation or warranty made by the Company is untrue or misleading in any material respect;
 - (v) an insolvency event occurs to the Issuer;
 - (vi) the Company disposes of the whole, or a substantial part, of its business, assets or property (other than in the ordinary course of business) without the prior written consent of the Subscribers;
 - (vii) there is a change of control of the Company; and
 - (viii) if any material provision of this Agreement ceases to have effect or becomes void, illegal or invalid.
- (q) **(Lead Manager and Fees):** The Lead Manager of this Convertible Note raise is Hall Capital Finance – AFSL 518039 and will be paid a fee of \$7,500 and a convertible note to the value of 6% of the total funds raised in the Note issue.

SCHEDULE 3 – MATERIAL TERMS AND CONDITIONS OF CONVERTIBLE NOTES (RESOLUTION 4)

A summary of the proposed terms of the Convertible Notes is set out below:

1. Definitions and interpretation

1.1 Definitions

Capitalised terms in these Conditions have the meaning set out in the Clause 1, unless otherwise defined.

In these Conditions, unless the context requires otherwise:

Affiliate means in respect of a Noteholder:

- (a) any person that Controls or is Controlled by the Noteholder;
- (b) any Related Body Corporate of the Noteholder;
- (c) in the case of a Noteholder that is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or is a nominee of that Investment Fund:
 - (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
 - (ii) any other Investment Fund managed or advised by the same Fund Manager;
 - (iii) any Related Body Corporate of the Fund Manager; or
 - (iv) any trustee, nominee or custodian of such Investment Fund and vice versa.

Control:

- (a) of a company by a person means:
 - (i) the person determines the composition of the board of directors of the company or has the capacity to do so;
 - (ii) the board of directors of the company is accustomed to act in accordance with the instructions, directions or wishes of the person; or
 - (iii) the person holds or owns (alone or with its Affiliates):
 - (A) the majority of the issued shares of the company;

- (B) the majority of the issued shares of the ultimate holding company of the company; or
 - (C) the majority of any securities or other rights granted by the company entitling holders to distributions based on the profits, earnings or net liquidation proceeds of the company; and
- (b) of a trust by a person, means:
 - (i) the person is the sole trustee of the trust;
 - (ii) the composition of the board of directors of any trustee company of the trust is determined by the person or the person has the capacity to do so;
 - (iii) the board of directors of any trustee company of the trust is accustomed to act in accordance with the instructions, directions or wishes of the person; or
 - (iv) the person holds or owns (alone or with its Affiliates):
 - (A) the majority of the issued shares of any trustee company of the trust;
 - (B) the majority of the issued shares of the ultimate holding company of any trustee company of the trust; or
 - (C) the majority of the units, securities or other rights granted by the trust which entitle holders to distributions from the trust;

Conversion Event means the first to occur of:

- (a) a takeover bid which is recommended unanimously by the FIJ board; or
- (b) the Maturity Date.

Conversion Price means AUD\$0.10.

Encumbrance means:

- (a) any:
 - (i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or
 - (ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);
- (b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset; or

- (c) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in paragraphs (a) or (b).

Fund Manager means a person whose principal business is to make, manage or advise upon investments in securities.

Insolvency Event means the occurrence of any one or more of the following events in relation to the Company or a subsidiary of the Company:

- (a) an application is made to a court for an order that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 21 days of being made;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator or a controller is appointed to any of its assets;
- (d) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;
- (e) it proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (f) it is insolvent as disclosed in its accounts, or otherwise states that it is insolvent, or it is presumed to be insolvent under an applicable Law;
- (g) it becomes an insolvent under administration or action is taken which could result in that event;
- (h) a writ of execution is levied against it or a material part of its property; or
- (i) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the above clauses of this definition.

Issue Date means the date on which Notes are first issued under this agreement.

Maturity Date means the date that is the 60-month anniversary of the Issue Date.

Outstanding Amount means the total Face Value in respect of all of a Noteholder's Notes.

Related Body Corporate has the meaning given in the Companies Act.

Shares means a share in the capital of the Company.

1.2 Interpretation

In these Conditions, the provisions of clause 2 (*Interpretation*) are incorporated by reference as if set out in full in these Conditions.

2. Status of Notes

Save as stated in these Conditions, the Notes constitute a direct and unconditional obligation of the Company to repay the Outstanding Amount.

3. Interest

The Notes bear interest at the rate of 5.0% per annum, payable quarterly in cash.

4. Conversion

- (a) Subject to Condition 5 and Condition 6(c), the Notes will automatically convert into Shares immediately upon the occurrence of a Conversion Event.
- (b) On conversion of the Notes:
 - (i) the Company will be deemed to redeem each of the Notes which are being converted; and
 - (ii) the holder of those Notes irrevocably and unconditionally directs the Company to apply the whole of the Outstanding Amount payable to the Noteholder on redemption in subscribing for the number of Shares calculated on the basis of the Conversion Price; and
 - (iii) the Company will allot and issue to the Noteholder the number of Shares calculated under this Condition 4 fully paid and free from all Encumbrances.
- (c) The Company must, not later than 3 Business Days after allotment and issue of Shares on conversion of the Notes, send to each Noteholder a certificate for the number of Shares allotted and issued on conversion of the relevant Notes.

5. Compliance with law on conversion

Notwithstanding any other provision of these Conditions, a Note will not be capable of conversion, and no such purported conversion will have any effect if the Noteholder would be in breach by of any applicable Law as a result of such conversion;

For the avoidance of doubt, where this Condition 5 prevents the conversion of a Note, it will not apply to any other Notes the subject of the Conversion Event.

6. Redemption

- (a) The Company will give written notice to each of the Noteholders promptly after the Company becomes aware that an Insolvency Event has occurred, giving reasonable details of that event.
- (b) The Company will redeem all of the Notes on issue in accordance with Condition 6(c) immediately on the occurrence of an Insolvency Event.

- (c) No later than three months prior to the Maturity Date, a Noteholder may notify the Company in writing that it wishes to redeem its Notes, in which case the Company will redeem the Notes held by that Noteholder in accordance with Condition 6(c).
- (d) If the Notes are to be redeemed under Condition 6(b), the Company must redeem the relevant Notes by paying to each relevant Noteholder an amount equal to the Outstanding Amount in respect of the Notes held by that Noteholder.
- (e) If the Notes are to be redeemed under Condition 6(c), the Company must redeem the relevant Notes by paying to each relevant Noteholder an amount equal to 105% of the Outstanding Amount of the Notes held by that Noteholder.
- (f) Each relevant Noteholder whose Notes are redeemed must deliver the Certificate for its Notes to the Company or, if a Certificate is lost, stolen, mutilated, defaced or destroyed, such evidence, indemnity and/or security as the Company may reasonably require.

7. Adjustments

If, prior to the conversion of any Notes, the Company makes any reconstruction of its share capital, including without limitation a consolidation, share split, share dividend, bonus issue or capital reduction, the number of Shares into which a Note may be converted or the price at which the Notes convert must be reconstructed in the same manner so that on conversion each Noteholder is entitled to receive the same proportion of total shares of the Company on issue or the paid up capital of the Company as would have been the case if that event had not occurred event. The Company must take all necessary or desirable actions to ensure that Noteholders are not disadvantaged or advantaged by the operation of this Condition 7 if the Company makes any reconstruction of its share capital.

8. Voting and other rights

Until conversion of a Note occurs, that Note does not give the Noteholder any voting, dividend or any related rights in respect of the Company, provided that nothing in this clause limits or affects any rights of a Noteholder under the terms of this agreement.

9. Transfers

- (a) A Noteholder:
 - (i) may transfer any Notes to any of its Affiliates; and
 - (ii) may not transfer any Notes to any other person except with the prior written consent of the Company.
- (b) Notes are transferrable in integral multiples of the Face Value by instrument in writing in the usual common form (or in such other form as the Company's directors may approve) and signed by the transferor and the transferee. Every instrument of transfer must be sent to the registered office of the Company for the time being and must be accompanied by the Certificate(s) for the Notes to be transferred.

- (c) Title to the Notes passes when the issue or transfer of the Notes is registered in the register of Noteholders.
- (d) Except as ordered by a court of competent jurisdiction or as required by applicable Law:
 - (i) the Company may treat the person who is registered as a Noteholder as the absolute owner of the Notes and is not required to obtain any proof of ownership as to the identity of a Noteholder; and
 - (ii) the Company is not required to recognise or give effect to any legal or equitable interest in the Notes not entered on the register notwithstanding that the Company may have actual or constructive notice thereof.

10. Payments

10.1 Payment by Company

- (a) All payments to be made by the Company in relation to the Notes will be made in immediately available funds.
- (b) Where a payment to be made by the Company in relation to the Notes falls due on a day which is not a Business Day, the payment must be made on the immediately following Business Day.
- (c) All payments to be made by the Company in relation to the Notes, must be made unconditionally and in full without:
 - (i) set-off or counter claim; or
 - (ii) deduction or withholding for tax or another reason, unless the deduction or withholding is required by applicable Law.
- (d) A penalty interest rate of 7% p.a. compounding daily shall apply for any late payment in relation to the Notes.

11. Miscellaneous

11.1 Notices

A notice or other communication given in relation to the Notes including, but not limited to, a request, demand, consent or approval, to or by the Company or a Noteholder must be given in accordance with Condition 10.1.

11.2 Board representation

For the term of the Notes and provided the Investor retains ownership of the Notes during the term, the Investor shall be entitled to nominate one person to the board of South Pacific Elixirs Pte Limited, the wholly-owned Fiji subsidiary of the Company.

11.3 Reporting

For the term of this agreement, the Company will provide regular reports to the Investor on the performance of the Company, including its financial and business performance. These reports will include quarterly half yearly and annual reports (including audited financial statements) in line with the Company's reporting schedule on the Australian Stock Exchange.

11.4 Use of proceeds

The Company must use the Subscription Moneys for no purpose other than for capital expenditure and general working capital purposes of the Business in Fiji. The Subscription Moneys will be utilised solely within Fiji.

11.5 Intellectual Property

A party to this Agreement shall not use the name or marks of, refer to, or identify the other party (or any related entity) in any publicity releases, interviews, promotional or marketing materials, public announcements, testimonials or advertising without the prior written approval of authorized representatives of the other party (which approval a party may withhold in its sole discretion), except no such written approval is required to the extent any such disclosure is required by law.

11.6 Duties and taxes

- (a) The Company must bear any stamp duty payable upon or in connection with the issue, conversion or redemption of any Notes.
- (b) Each Noteholder must bear any duties or taxes which may become payable in connection with the transfer or any other dealing by the Noteholder with its Notes.

11.7 Governing law and jurisdiction

- (a) The Notes are governed by the laws of the Republic of Fiji.
- (b) The Company and each Noteholder irrevocably and unconditionally submit to the non- exclusive jurisdiction of the courts of the Republic of Fiji.

SCHEDULE 4 – TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 7 AND 8)

A summary of the material terms of the December 2021 Options and the April 2022 Options is set out below:

(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 \$0.12 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 28 February 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **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.

(l) **Transferability**

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



Fiji Kava Limited | ACN 169 441 874

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEST) on Sunday, 2 October 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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>.



