



**ACN 603 949 739**

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

**TIME: 2.00 pm (Melbourne time)**

**DATE: Wednesday, 10 November 2021**

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety.

If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, lawyer or other professional adviser without delay.

8 October 2021

Dear Shareholder

**ANNUAL GENERAL MEETING**

You are invited to the Annual General Meeting of Cann Group Limited (**Company** or **Cann Group**) to be held virtually (through an online platform) at **2.00pm (Melbourne time)** on **Wednesday, 10 November 2021**.

The Notice of Annual General Meeting (**Meeting**) and Explanatory Memorandum (**Notice**), and other documents and information, can be viewed and downloaded at the Company's website at <https://investors.canngrouponlimited.com/Investors/>.

The Notice contains information that is material in respect of the business of the Meeting and, accordingly, should be read in its entirety.

Both I and Mr Peter Crock (Cann Group's Chief Executive Officer) will be making presentations at the Meeting regarding the Company's operations.

In accordance with the provisions of the Company's constitution and the relevant Commonwealth legislation and regulations to permit the convening and holding of meetings using technology, the Company has adopted the following approach for the Meeting:

1. The Meeting will be held virtually (online) via an online platform, except for those members of the Board and management who are able to attend in person in a safe and permissible manner. There will be no other physical attendance at the Meeting. This is an important health and safety measure, given we have thousands of shareholders on our share register.
2. We encourage all shareholders and proxyholders to participate in the Meeting virtually via the online platform at <https://agmlive.link/CANAGM21>. To do this you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform at the time of the Meeting, you will need to provide your details (including your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) to be verified as a shareholder or proxyholder. Following this you will be given details as to how to vote and ask questions during the Meeting.
3. Once the Meeting commences at 2.00pm, you will be able to listen to the chairman of the Meeting talking live and in real-time.
4. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in this Notice and the enclosed Virtual Meeting Online Guide.
5. Shareholders and proxyholders will have the ability to ask questions during the Meeting via the online platform, and to hear all of the discussion, subject to connectivity of their devices.
6. A detailed guide on how to participate virtually is set out in the enclosed Virtual Meeting Online Guide. This Guide explains how to ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site. This Guide will be lodged with the ASX and is available on the Company's website at <https://investors.canngrouponlimited.com/Investors/>.

7. In addition to the above, shareholder/proxyholder participation (as relevant) is possible by shareholders lodging the enclosed Proxy Form electronically at the Company's Share Registry at **www.linkmarketservices.com.au** or, alternatively, returning it in the envelope provided or faxed to Cann Group's Share Registry on **02 9287 0309 (within Australia)** or **+61 2 9287 0309 (outside Australia)**, so that it is received by **2.00pm (Melbourne time) on Monday, 8 November 2021**, in order to be valid. In addition to the enclosed personalised Proxy Form, the Proxy Form is also available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.
8. In accordance with the Company's constitution, each resolution considered at the Meeting will be decided on a poll.

As always, the situation regarding the management of COVID-19 continues to evolve, and shareholders are encouraged to monitor the Cann Group website for any further updates in relation to the arrangements for the Meeting. Cann Group appreciates the understanding of shareholders during this difficult time. We look forward to your virtual attendance and participation at the Meeting.

Your continued support is greatly appreciated.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Allan McCallum', followed by a period.

**Allan McCallum AO**  
**Chairman**

# Notice of Annual General Meeting

**Notice** is hereby given that the Annual General Meeting of Cann Group Limited ABN 25 603 949 739 (“Company”) will be held at **2.00pm (Melbourne time) on Wednesday, 10 November 2021** to transact the business set out below.

*Shareholders should refer to the accompanying Explanatory Memorandum for further information concerning the special business to be transacted at this Annual General Meeting.*

## Business of the Annual General Meeting

### 1. Financial Statements and Reports

To receive the financial report, directors’ report and auditor’s report for the Company and its controlled entities for the financial year ended 30 June 2021.

(Please note that no resolution will be required to be passed on this matter and there is no requirement for shareholders to approve these reports).

### 2. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following non-binding advisory resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ending 30 June 2021 as set out in pages 23 to 32 (inclusive) of the Annual Report be adopted.”*

(Please note that this resolution is advisory only and does not bind the Company or the Directors).

(Refer to How To Vote section for Voting Exclusions applying to this resolution).

### 3. Re-election of Director

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

*“That Mr Douglas John Rathbone, a Director who retires from office in accordance with ASX Listing Rule 14.4 and Rule 50.2 of the Company’s Constitution and being eligible for re-election, be re-elected a Director of the Company.”*

### 4. Re-election of Director

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

*“That Mr John Sharman, a Director who was appointed to fill a casual vacancy in accordance with Rule 49.1 of the Company’s Constitution until this Annual General Meeting in accordance with ASX Listing Rule 14.4 and being eligible for re-election, be re-elected a Director of the Company.”*

### 5. Approval of amendments to Constitution

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

*“That in accordance with section 136(2) of the Corporations Act the Constitution of the Company be amended as set out in the amended Constitution tabled at the Annual General Meeting convened by this Notice of Annual General Meeting and signed by the Chairman of the meeting for the purposes of identification.”*

**By Order of the Board**



**Geraldine Farrell, Company Secretary**  
**8 October 2021**

## HOW TO PARTICIPATE AND VOTE

### Voting entitlement

The Board of Directors of the Company (**Board**) has determined in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**) that for the purpose of voting at the Annual General Meeting, shares will be taken to be held by those persons who hold them at **7.00pm (Melbourne time)** on **Monday, 8 November 2021**. This means that if you are not the registered holder of a share at that time you will not be entitled to vote at the Annual General Meeting (**Meeting**) in respect of that share.

### Virtual Attendance at the Annual General Meeting

Due to health concerns and the current government imposed restrictions on public gatherings arising from the COVID-19 pandemic, shareholders and proxyholders will not be able to attend the Meeting in person.

The Meeting will be held virtually via an online platform, except for those members of the Board (including the Chairman of the Meeting (**Chairman**)) and management who are able to attend in person in a safe and permissible manner. There will be no physical attendance at the Meeting. This is an important health and safety measure, given the Company has thousands of shareholders on its share register.

The Meeting will be audio live (not visual) for participation by shareholders and proxyholders via the online platform at <https://agmlive.link/CANAGM21>. To participate you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform at <https://agmlive.link/CANAGM21> on the afternoon of the Meeting, you will need to provide your details (including your Shareholder Reference Number (SRN) or Holder Identification Number (HIN)) to be verified as a shareholder or proxyholder. Proxyholders will need their login details which will be provided by Link Market Services no later than 24 hours before the Meeting. Following this you will be given details as to how to vote and ask questions during the Meeting.

More information about how to use the online platform (including how to vote and ask questions online during the Meeting) is available in the Virtual Meeting Online Guide (**Guide**), which has been lodged with the ASX and is available at <https://investors.canngrouplimited.com/Investors/>. If you intend to use the online platform, we recommend that you test to see that it works on your device before the Meeting commencement at 2.00pm. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in the Notice and the Guide.

Further instructions on device configurations are provided in the Guide, which is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.

Additional information about the proposed items of special business is set out in the Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting (**Notice**).

Discussion will take place on all items of special business to be considered at the Meeting. Shareholders and proxyholders will have a reasonable opportunity to ask questions in respect of the special business of the Meeting during the Meeting via the online platform. To ensure that as many shareholders and proxyholders as possible have the opportunity to speak, shareholders and proxyholders are requested to observe the following requests:

- shareholder and proxyholder questions should be stated clearly and should be relevant to the special business of the Meeting; and
- shareholders and proxyholders should not ask questions at the Meeting relating to any matters that are personal to the relevant shareholder or commercial in confidence or not relevant to the special business of the Meeting.

### All Resolutions will be determined by Poll

In accordance with the Constitution, each resolution considered at the Meeting will be decided by a poll.

### **Voting via online platform – During the Meeting**

Shareholders and other representatives entitled to participate in the Meeting via the online platform will be able to vote directly at any time between the start of the Meeting at 2.00pm (Melbourne time) and the closure of voting as announced by the Chairman during the Meeting.

### **Voting by Proxy**

If a shareholder is unable to participate virtually and vote at the Meeting, they are entitled to appoint a proxy to attend virtually and vote on their behalf. To do so, they can appoint the Chairman as their proxy or insert the name of their alternative proxy in the space provided in the enclosed Proxy Form. You can direct your proxy to vote for or against, or abstain from voting on, a resolution by marking **'For'**, **'Against'** or **'Abstain'** for the item of special business in the appropriate box in the enclosed Proxy Form.

The Proxy Form is available on the Company's website at <https://investors.canngrouplimited.com/Investors/>.

The following applies in terms of proxy appointments:

- a proxy need not be a shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting;
- a shareholder entitled to cast two or more votes may appoint two proxies; and
- where two proxies are appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of that shareholder's votes.

As noted earlier, Link Market Services will contact proxyholders at least 24 hours prior to the start of the Meeting to provide them with the proxyholder login information that they will need to enter into the online platform.

### ***Directed and Undirected Proxies***

If you choose to appoint a proxy, the Board encourages you to direct your proxy how to vote on each Resolution, by marking either **'For'**, **'Against'** or **'Abstain'** for the item of special business on the Proxy Form.

If you sign the enclosed Proxy Form and do not appoint the Chairman or specify an individual or body corporate as your proxy, you will have appointed the Chairman as your proxy by default. In that case, your shares will be voted on the proposed Resolutions in accordance with your directions on the Proxy Form.

If you do not direct the Chairman how to vote your shares, the Chairman will vote undirected proxies on, and in favour of, all of the proposed Resolutions set out in this Notice. Where the Chairman is appointed as your proxy, you will be taken to have expressly authorised the Chairman to cast your votes on all of the proposed Resolutions set out in the Notice.

If you return your Proxy Form but your nominated proxy does not virtually attend the Meeting, then your proxy will revert to the Chairman. As each Resolution will be determined on a poll, if your nominated proxy is either not recorded as virtually attending the Meeting or does not vote on the Resolution, the Chairman is taken, before voting on the Resolution closes, to have been appointed as your proxy for the purposes of voting on the Resolution.

If you do not direct the Chairman how to vote your shares, the Chairman intends to vote undirected proxies in favour of each Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form and return in accordance with the instructions set out on the Proxy Form. Completed Proxy Forms must be delivered as set out below.

### **Lodging your Proxy Form**

For the appointment of a proxy to be effective for the Meeting, the following documents must be received no later than 48 hours before the scheduled time for the Meeting; that is by **2.00pm (Melbourne time) on Monday, 8 November 2021**:

- the enclosed Proxy Form; and
- if the enclosed Proxy Form is signed by the appointor's attorney - the authority under which the appointment was signed or a certified copy of the authority.

Documents may be lodged online, by posting, delivery or facsimile to the Company's Share Registry at:

#### **Link Market Services Limited**

**Online:** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

#### **By Post:**

Cann Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

#### **Delivery to Link Market Services Limited\*:**

1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9.00am-5.00pm)

#### **Facsimile:**

(+61 2) 9287 0309

If you have any queries and wish to contact Link Market Services Limited, please call (+61) 1300 554 474.

Shareholders should consider lodging the Proxy Form electronically at the Company's Share Registry at **[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)** or, alternatively, returning it in the envelope provided or faxed to Cann Group's Share Registry on **02 9287 0309 (within Australia)** or **+61 2 9287 0309 (outside Australia)**, so that it is received by **2.00pm (Melbourne time) on Monday, 8 November 2021**, in order to be valid.

#### **Bodies corporate**

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body corporate could exercise at the Meeting or in voting on a Resolution. Unless it has previously been given to the Company, the representative should provide a "Certificate of Appointment of Corporate Representative" to the Company's Share Registry by emailing that certificate to [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) no later than 48 hours before the scheduled time for the Meeting; that is by **2.00pm (Melbourne time) on Monday, 8 November 2021**. A form of the certificate may be obtained from the Company's Share Registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). The appointment must comply with Section 250D of the Corporations Act.

#### **Attorneys**

A shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or certified copy of it) must be received no later than 48 hours before the scheduled time for the Meeting; that is by **2.00pm (Melbourne time) on Monday, 8 November 2021**.

## **VOTING EXCLUSION STATEMENTS**

### **Item 2 – Adoption of Remuneration Report**

In accordance with section 250R(4) and 250BD of the Corporations Act, the Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of Excluded Persons.

However, the Company will not disregard a vote made by an Excluded Person as proxy if the vote is not cast on behalf of an Excluded Person, and either:

- (a) the Excluded Person is appointed as proxy or attorney in writing that specifies the way the proxy or attorney is to vote on the resolution; or
- (b) the Excluded Person is the Chairman who has been appointed as proxy for a person entitled to vote and the appointment of the Chairman:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

### **Definitions**

For the purposes of this voting exclusion statement:

- (a) "Excluded Persons" means the Key Management Personnel and their Closely Related Parties;
- (b) "Key Management Personnel" are the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report for the year ended 30 June 2021; and
- (c) a "Closely Related Party" of such a Key Management Personnel means:
  - a spouse or child of such a Key Management Personnel;
  - a child of such a Key Management Personnel;
  - a dependent of such a Key Management Personnel or of the spouse such a Key Management Personnel;  
or
  - a company such a Key Management Personnel controls.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum, which accompanies and forms part of the Notice of Annual General Meeting of Cann Group Limited ("Company"), has been prepared to assist shareholders of the Company and any of their appointed representatives ("Shareholders") with their consideration of the resolutions set out in the Notice of Annual General Meeting dated 8 October 2021 ("Notice").

### Background

#### Item 1 - Financial Statements and Reports

During the Meeting there will be a reasonable opportunity for Shareholders to ask questions and comment on the financial report, directors' report, auditor's report for the Company and its controlled entities for the for the financial year ended 30 June 2021, and on the business, operations and management of the Company. No resolution will be required to be passed on this matter.

Further, in accordance with section 250PA of the *Corporations Act 2001* (Cth) (**Corporations Act**), a Shareholder who is entitled to cast a vote at the Company's Annual General Meeting (**Meeting**) may submit a written question to the Company's auditor if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of the audit of the financial report,

by giving the question to the Company by no later than **5.00pm (Melbourne time) on Wednesday, 3 November 2021**, being the fifth business day before the day on which the AGM is to be held. The auditor will then compile the questions relevant to the content of the auditor's report or the conduct of the audit of the financial report into a question list. At or before the start of the Meeting, the Company will make the question list reasonably available to the Shareholders attending the Meeting.

Shareholders can view or download the Company's 2021 Annual Report ("Annual Report") from the Company's website at <https://investors.canngrouponlimited.com/investors/?page=annual-reports>.

#### Item 2 - Adoption of Remuneration Report

The Remuneration Report for the year ended 30 June 2021 is set out in the Annual Report.

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Company's 2021 Remuneration Report as set out in pages 23 to 32 (inclusive) of the Annual Report (**Remuneration Report**) be adopted must be put to a vote at the Meeting. The vote on the proposed resolution is advisory only and does not bind the Company or the Company's Board of Directors (**Board**). However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

Pursuant to the Corporations Act, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company (**AGMs**), Shareholders will be required to vote at the second of those AGMs on a resolution (a **spill resolution**) to decide whether a general meeting of Shareholders is to be held within 90 days of the date of that AGM to consider the election of the Company's directors (**Directors**). If a spill resolution is passed (that is, more than 50% of votes cast in favour), all of the Directors will cease to hold office at the end of that general meeting, unless re-elected at that meeting.

During the Meeting there will be a reasonable opportunity for Shareholders at the meeting to comment on and ask questions about the Remuneration Report.

The Chairman of the Meeting (**Chairman**) intends to vote undirected proxies in favour of the adoption of the Remuneration Report.

#### **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in FAVOUR of adopting the Remuneration Report.

### **Item 3 - Re-election of Director**

Mr Rathbone was appointed as a Director on 16 March 2015 and has served two subsequent terms, having been re-elected as a Director by Shareholders at both the 2017 AGM and the 2019 AGM. Mr Rathbone is required to retire from office under the Constitution and ASX Listing Rule 14.4, which requires that no Director holds office (without re-election) past the longer of 3 years and the third AGM following their appointment (other than the Managing Director). Being eligible, Mr Rathbone has offered himself for re-election and is seeking re-election by Shareholders at this Meeting. His biographical details are set out below:

#### ***Douglas John Rathbone, AM***

An experienced public company director, he is the former Managing Director and CEO of Nufarm Limited (ASX:NUF) from 21 August 1987 to 4 February 2015. He is Chairman of the Rathbone Wine Group, Director of Cotton Seed Distributors, Leaf Resources Ltd (ASX:LER) from 1 November 2016, Go Resources, Queenscliff Harbour Pty Ltd and AgBiTech. He is Chairman of Fancy Plants Australia Pty Ltd and Delta Agribusiness Pty Ltd. Doug is a former Director of CSIRO, an Honorary Life Governor of the Royal Children's Hospital and a former Director of the Burnett Centre for Medical Research. He is President of My Room Children's Cancer Charity Limited and founder of Children's Cancer Foundation. Doug brings to the Board experienced management and corporate governance skills together with a passion to grow the business having successfully transformed Nufarm to become one of the world's leading crop protection and seed companies with an extensive global footprint.

The Chairman intends to vote undirected proxies in favour of the re-election of Mr Rathbone.

#### ***Directors' Recommendation***

The Directors (other than Mr Rathbone) recommend that Shareholders vote in FAVOUR of the re-election of Mr Rathbone.

### **Item 4 - Re-election of Director**

Mr Sharman was appointed as a Director on 27 April 2021 to fill a casual vacancy on the Board. Pursuant to ASX Listing Rule 14.4, under which a Director appointed to fill a casual vacancy must not hold office (without re-election) past the next AGM, Mr Sharman is eligible for re-election at the Meeting. Being eligible, he has offered himself for re-election and is seeking re-election by Shareholders at this Meeting. His biographical details are set out below:

#### ***John Sharman***

John joined the Cann Board as a director in April 2021. He has extensive international business experience as a Managing Director, CEO, CFO and non-executive director with public and private companies, including several ASX listed entities. He has a comprehensive understanding of the medical manufacturing industry as well as the pharmaceutical and nutraceutical sectors. John is currently the CEO of Universal Biosensors Inc (ASX:UBI). Prior to that he served 10 years as CEO of Medical Developments International (ASX:MVP). Previous roles included Managing Director of CVC Venture Managers (private equity managers), Managing Director of Vita Life Sciences (ASX:VSC) and Cyclopharm (ASX:CYC), as well as roles at PriceWaterhouseCoopers, National Australia Bank and KPMG in both London and Melbourne. He has a Bachelor of Economics from Monash University and a Master of Applied Finance from Macquarie University. He is a Member of the Institute of Chartered Accountants in Australia and a Member of the Australian Institute of Company Directors.

John is not, and has not in the past three years been, a director of any other ASX-listed companies.

The Chairman of the Meeting intends to vote undirected proxies in favour of the re-election of Mr Sharman.

#### ***Directors' Recommendation***

The Directors (other than Mr Sharman) recommend that Shareholders vote in FAVOUR of the re-election of Mr Sharman.

## **Item 5 – Amendments to Constitution**

Item 5 is a special resolution proposing to amend the Company's Constitution. Section 136(2) of the Corporations Act allows a company to amend its constitution by special resolution. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution.

The Company's Constitution was first adopted in 2016 and was previously amended at a General Meeting of Shareholders held on 12 June 2020.

The Company now proposes further amendments to the Constitution to facilitate the sale of shareholdings worth less than \$500 (**Small Holdings**) in accordance with the ASX Listing Rules and standard market practice.

The Company is aware that a number of its Shareholders currently have Small Holdings. Small Holdings can be difficult and / or expensive for those Shareholders to sell. The Company wishes to ensure that there is a streamlined process available to facilitate the sale of Small Holdings. ASX Listing Rules 15.13, 15.13A and 15.13B set out requirements for the content of a company's constitution in order for a company to sell the shares making up Small Holdings. By amending the Company's Constitution, the Company will be able to undertake the sale of shares making up Small Holdings in the future if desired, with the ability to utilise all the available powers under ASX Listing Rules 15.13, 15.13A and 15.13B.

A copy of the amended Constitution, marked up to show the proposed amendments, is available on the Company's website at <https://investors.cannngrouplimited.com/investors/?page=corporate-governance>. Copies may also be obtained by emailing the Company at [communications@cannngrouplimited.com](mailto:communications@cannngrouplimited.com).

The key amendments to the constitution involve replacing the previous Regulation 30 ("Sale of Non-Marketable Parcels") with a new Regulation 30, as well as adding Regulation 30A and 30B, which each contain market standard wording regarding the sale of Small Holdings. In particular:

- the new Regulation 30 now complies with ASX Listing Rule 15.13, and contains provisions regarding the sale of existing Small Holdings, for which the Company must provide Shareholders with a notice which gives Shareholders the opportunity to retain the shares making up their Small Holdings if they wish to do so;
- Regulation 30A complies with ASX Listing Rule 15.13A and 15.13B, and allows for the Company to sell shares making up a Small Holding which is created after the date of Regulation 30A coming into effect by the transfer of a shares (**New Small Holding**). Under Regulation 30A, the Company may sell New Small Holdings without providing Shareholders with the option to retain their New Small Holdings. After the Company gives a holder of a New Small Holding notice of its intention to sell their shares, that shareholder's rights to receive payments of dividends and to vote are suspended until the shares are transferred to a new holder or that shareholder ceases to be a New Small Holder. This rule is designed to discourage intentional establishment of small parcels; and
- Regulation 30B contains provisions which apply to both the sale of Small Holdings and New Small Holdings.

The Chairman of the Meeting intends to vote undirected proxies in favour of the amendments to the Constitution.

### ***Directors' Recommendation***

The Directors unanimously recommend that Shareholders vote in FAVOUR of the amendments to the Constitution.