



# NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of the Company.

**AT** Suite 2, Level 2, 66 Kings Park Road,  
West Perth, 6005, Western Australia

**ON** Thursday, 26 November 2020 at  
2pm (WST)

**VIA** Zoom webinar

**SHAREHOLDERS WILL NOT BE ABLE TO  
ATTEND THE MEETING IN PERSON.**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6280 0050.

Due to the ongoing COVID-19 pandemic Shareholders will not be able to attend the Meeting in person.

Please refer to Section 2 of the Explanatory Memorandum for details of how to vote at the Meeting.

Shareholders are encouraged to vote by lodging the proxy form attached to the Notice.

## Little Green Pharma Ltd

ACN 615 586 215

(Company)

## Notice of Annual General Meeting

Notice is given that the annual general meeting of Little Green Pharma Ltd will be held at the offices of the Company, at Suite 2, Level 2, 66 Kings Park Road, West Perth, 6005, Western Australia on Thursday, 26 November 2020 at 2pm (WST) via a live Zoom webinar (**Meeting**). The Company will announce details of how to remotely attend the Meeting via the ASX Market Announcements Platform and on the Company's website at <https://investor.littlegreenpharma.com/site/investor-centre/annual-general-meetings>.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those persons who are registered Shareholders at 4.00pm (WST) on Tuesday, 24 November 2020.

## Agenda

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### 1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve the Annual Report.

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### 2 Resolutions

#### Resolution 1 – Remuneration Report

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

*'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 2 – Re-election of Director – Dr Neale Fong

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

*'That Dr Neale Fong, who retires by rotation in accordance with Clause 8.2 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 3 – Approval of Employee Securities Incentive Plan

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

*'That the employee incentive scheme of the Company known as the "Little Green Pharma Employee Securities Incentive Plan" and the issue of Securities under that plan are approved under and for the purposes of exception 13(b) of Listing Rule 7.2 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 4 – Approval of potential termination benefits under the Plan

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

*'That, conditional on Resolution 3 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Little Green Pharma Employee Securities Incentive Plan, the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office is given under and for the purposes of Part 2D.2 of the Corporations Act, on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 5(a)-(d) – Approval to issue Director Share Rights under the Plan to Directors

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

*'That, conditional on Resolution 3 being approved: the issue of:*

- (a) up to 338,764 Director Share Rights to Mr Michael Lynch Bell (or his nominees) in lieu of salary as a cash-saving measure;
- (b) up to 169,382 Director Share Rights to Dr Neale Fong (or his nominees) in lieu of salary as a cash-saving measure;

- (c) *up to 202,881 Director Share Rights to Ms Fleta Solomon (or her nominees) in lieu of salary as a cash-saving measure; and*
- (d) *up to 272,411 Director Share Rights to Mr Angus Caithness (or his nominees) in lieu of salary as a cash-saving measure,*

*under the Plan is approved under and for the purposes of Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 6(a)-(b) – Approval to issue Retention Share Rights under the Plan to non-executive Directors**

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

*'That, conditional on Resolution 3 being approved: the issue of:*

- (a) *up to 300,000 Retention Share Rights with a vesting date of 20 February 2023 to Mr Michael Lynch Bell (or his nominees) (as foreshadowed in the Company's Prospectus dated 19 December 2019);*
- (b) *up to 150,000 Retention Share Rights with a vesting date of 20 February 2023 to Dr Neale Fong (or his nominees) (as foreshadowed in the Company's Prospectus dated 19 December 2019),*

*under the Plan is approved under and for the purposes of Listing Rule 10.14 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 7 – Approval of 10% Placement Facility**

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

*'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum.'*

## **Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) **Resolution 3** by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates;

- (b) **Resolution 5(a)-(d) and Resolution 6(a)-(b)**, by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (c) **Resolution 7**, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are 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 Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with 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, 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.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

## Voting prohibitions

**Resolution 1:** In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 4:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Employee Securities Incentive Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

**Resolution 5(a)-(d):** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on **Resolution 5(a)-(d)** must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**BY ORDER OF THE BOARD**

A handwritten signature in dark ink, appearing to be "Alistair Warren", with a long horizontal flourish extending to the right.

Alistair Warren  
**Company Secretary**  
**Little Green Pharma Ltd**  
Dated: 27 October 2020

## Little Green Pharma Ltd

ACN 615 586 215

(Company)

# Explanatory Memorandum

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## 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company at Suite 2, Level 2, 66 Kings Park Road, West Perth, 6005, Western Australia on Thursday, 26 November 2020 at 2pm (WST) via a live Zoom webinar. Please refer to Section 2.5 of the Explanatory Memorandum for instructions on how to remotely attend the Meeting.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Dr Neale Fong
Section 6	Resolution 3 – Approval of Employee Securities Incentive Plan
Section 7	Resolution 4 – Approval of potential termination benefits under the Plan
Section 8	Resolution 5(a)-(d) to Resolution 6(a)-(b) - Approval to issue Director Share Rights and Retention Share Rights under the Plan to Directors under the Plan
Section 9	Resolution 7 – Approval of 10% Placement Facility
Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan

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A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 No attendance in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

### 2.2 Voting by poll

All Resolutions will be decided on a poll (rather than a show of hands) using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.

### 2.3 Voting by proxy

Shareholders are strongly encouraged to complete a Proxy Form to appoint the Chair of the Meeting as their proxy and to provide specific instructions on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appoint proxy holder's attendance at the Meeting. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting.

### 2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

## 2.5 Remote attendance and voting via live Zoom webinar

The Meeting will be accessible to all Shareholders via a live Zoom webinar, which will allow Shareholders to listen to and observe the Meeting. The Company will announce details of how to register for and remotely attend the Meeting via the ASX Market Announcements Platform and on the Company's website at

<https://investor.littlegreenpharma.com/site/investor-centre/annual-general-meetings>.

Shareholders who do not wish to vote using a Proxy Form and who intend to vote on a poll at the Meeting must contact the Company at CoSec@lgpharma.com.au or by phone at +61 8 6280 0050 to notify the Company of their intentions and to request a personalised poll form. Shareholders who wish to vote on a poll at the Meeting will also need to register for and access the webinar to attend the Meeting. The Company will send personalised poll forms following the cut-off time for the return of Proxy Forms to Shareholders who request them prior to this time.

Personalised poll forms must be completed and returned to the Company after the poll has been called **and prior to the close of polling**. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

You may still attend the Meeting via webinar if you have completed a Proxy Form (but have not notified the Company that you intend to vote using a poll form), but the person you have appointed as proxy will cast your vote on your behalf.

## 2.6 Submitting questions

Shareholders are encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at CoSec@lgpharma.com.au by 5pm on 24 November 2020.

Shareholders will also have the opportunity to submit written questions during the Meeting in respect to the formal items of business, however it would be preferable for them to be submitted to the Company in advance of the Meeting. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). Shareholders are required to identify themselves (including the entity name of their shareholding and the number of Shares they hold) in relation to any questions submitted.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://investor.littlegreenpharma.com/site/investor-centre/annual-reports2>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were

in office at the date of approval of the applicable Directors' Report must stand for re-election.

This is the first Annual General Meeting of the Company since its admission to the official list of ASX. Accordingly, this Meeting will be the first time a Strike can occur in respect of the Company's Remuneration Report. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

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## 5. Resolution 2 Re-election of Director – Dr Neale Fong

### 5.1 General

Clause 8.2(b) of the Constitution requires that there is an election of Directors at each annual general meeting of the Company. If no person or Director is standing for election or re-election in accordance with other Clauses of the Constitution, Clause 8.2(b)(iv) provides that that any director who wishes to may retire and stand for re-election.

Accordingly, Dr Fong retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If Shareholders approve Resolution 2, the Board considers Dr Fong to be an independent director, notwithstanding that he may be granted Securities pursuant to Resolution 5(b) and Resolution 6(b), for the following reasons:

- (a) The Share Rights are proposed to be issued in lieu of 20% of Dr Fong's salary for the period 1 April 2020 to 30 June 2020 and in lieu of 100% of Dr Fong's salary for the period 1 July 2020 to 28 February 2021, rather than as a further incentive.
- (b) The vesting conditions of the Retention Share Rights are based purely on length of service and the Board considers that the number of Retention Share Rights in question is not material.

Accordingly, the Board considers the above interests will not interfere, or reasonably be seen to interfere, with Dr Fong's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole.

## 5.2 Dr Neale Fong

Dr Fong is a registered medical practitioner with over 35 years in senior leadership roles in private hospitals, the public health systems, management consulting, academia, health research, aged care and not for profit organisations. Dr Fong is currently CEO of Bethesda Health Care and formerly Director General of the West Australian Department of Health.

Dr Fong is also an experienced ASX company director, including a former non-executive Director of Neurotech International Limited (ASX: NTI) and executive chair of Chrysalis Resources Limited (ASX: CYS) and has been a Fellow of the Australian Institute of Company Directors for 17 years.

Dr Fong is also Chair of the Company's Audit & Risk Committee.

## 5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Dr Fong) considers Dr Fong's extensive expertise together with his existing approval as a fit and proper person under the *Narcotic Drugs Act 1967* (Cth) to be highly valuable components of the Board's existing skills and experience and accordingly recommends that Shareholders vote in favour of Resolution 2.

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## 6. Resolution 3 – Approval of Employee Securities Incentive Plan

### 6.1 General

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company. The Company also intends to issue Securities under the Plan to employees to satisfy existing salary liabilities to those employees.

Resolution 3 seeks Shareholders' approval for the adoption of the employee incentive scheme titled 'Little Green Pharma Ltd Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan 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.

## 6.2 Listing Rules 7.1 and 7.2 exception 13(b)

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.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants without using the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue. In addition, as Resolutions 5(a)-(d) and 6(a)-(b) are each conditional upon Resolution 3 being passed, if Resolution 3 is not passed, the Company will not be able to issue the Director Share Rights or Retention Share Rights the subject of those Resolutions and the Company will be required to pay the Directors in cash to satisfy the liabilities which would otherwise be satisfied by the issue of those Securities.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

The Company is seeking approval under Resolution 3 for the issue of up to 10 million Equity Securities under the Plan. This figure represents:

- (a) up to 1.1 million Equity Securities proposed to be made available for issue to employees in connection with their performance in calendar year 2020;
- (b) 6.7 million Equity Securities (representing 5% of the Company's issued capital) potentially to be issued to employees over the next 3 years; and
- (c) the balance intended to comprise the Director Share Rights and Retention Share Rights proposed to be issued to the Directors pursuant to Resolution 5(a)-(d) and 6(a)-(b) and further Equity Securities to be issued to employees, in each case in lieu of salary as a cash-saving mechanism.

### 6.3 Specific information required by Listing Rule 7.2, exception 13(b)

Under and for the purposes of Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Schedule 2;
- (b) the Plan is a new employee incentive scheme and has not previously been approved by Shareholders. No Equity Securities have previously been issued under the Plan;
- (c) the maximum number of Equity Securities proposed to be issued under the Plan following approval of Resolution 3 shall not exceed 10 million Equity Securities, which is equal to approximately 7.5% of the Company's Equity Securities currently on issue, subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules; and
- (d) a voting exclusion statement is included in the Notice.

### 6.4 Board recommendation

Resolution 3 is an ordinary resolution.

The Directors decline to make a recommendation to Shareholders in relation to Resolution 3 due to their material personal interest in the outcome of Resolution 3, being the proposed issue of Director Share Rights and Retention Share Rights pursuant to Resolutions 5(a)-(d) and 6(a)-(b).

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## 7. Resolution 4 – Approval of potential termination benefits under the Plan

### 7.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek

Shareholder approval for the granting of such termination benefits in accordance with Resolution 4.

Resolution 4 is conditional on the passing of Resolution 3. If Resolution 3 is not approved at the Meeting, Resolution 4 will not be put to the Meeting.

## 7.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 4, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person is a 'good leaver' (as defined in the Plan, being a leaver by reason of retirement, permanent disability, mental incapacity, redundancy or death, or any leaver determined by the Board in its discretion to be a good leaver on a case by case basis).

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### 7.3 Value of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### 7.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

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## 8. Resolution 5(a)-(d) and Resolution 6(a)-(b) – Approval to issue Director Share Rights and Retention Share Rights to Directors under the Plan

### 8.1 Background

As stated in the Company's 2020 Annual Report, the Company has initiated various cash preservation measures. This includes various Directors, senior staff and consultants electing to take part of their pay in the form of Securities.

- (a) The Company is proposing, subject to obtaining Shareholder approval (both for the issue and for the Plan (refer to Resolution 3)), to rights to acquire Shares (Director Share Rights) under the Plan to the Directors (or their respective nominees) in lieu of an agreed percentage of their director fees over the period 1

April 2020 to 28 February 2021 (as further detailed in the table below). Each Director Share Right will entitle the holder to acquire one Share in the Company. It is proposed that the Director Share Rights will be issued in a single tranche before March 2021.

- (b) In addition, the Company is proposing subject to obtaining Shareholder approval of the Plan (refer to Resolution 3) to issue 450,000 Retention Share Rights under the Plan to the non-executive Directors (or their respective nominees), vesting on 20 February 2023 upon completion by the relevant non-executive Director of 3 years of service to the Company (calculated from the date of the Company's admission to the official list of ASX) and expiring 24 months after their vesting date.

**For the avoidance of doubt, each issue of Director Share Rights and Retention Share Rights is proposed to occur under the Plan and, accordingly, will be included as part of (and not in addition to) the maximum number of Equity Securities (being 10 million) proposed to be issued under the Plan (refer to Resolution 3 and Section 6.2 of the Explanatory Memorandum).**

The rationale for inviting the Directors to participate in a discretionary salary reduction in return for Director Share Rights is to preserve cash within the Company (in respect of liabilities already assumed) in light of the impact of the COVID-19 pandemic and to strengthen the Company's balance sheet.

The rationale for issuing the non-executive Directors with Retention Share Rights is to reward the non-executive Directors for continued service to the Company in accordance with the terms of their negotiated remuneration packages, as disclosed in section 11.4(a)(i) of the Company's initial public offer Prospectus dated 19 December 2019.

Details of the proposed issues are as follows:

Director	Period	Proposed % reduction in salary or fees	Maximum number of Director Share Rights at a minimum deemed issue price of \$0.25 each*	Retention Share Rights for 3 years of service ending 20 February 2023 (at a deemed issue price of \$0.28 each, being the closing price of Shares as 8 October 2020)
Fleta Solomon (Executive Director)	1 April 2020 to 28 February 2021	20%	202,881	0
Angus Caithness (Executive Director)	1 April 2020 to 28 February 2021	20% to 1 October 2020 and 40% thereafter	272,411	0

Director	Period	Proposed % reduction in salary or fees	Maximum number of Director Share Rights at a minimum deemed issue price of \$0.25 each*	Retention Share Rights for 3 years of service ending 20 February 2023 (at a deemed issue price of \$0.28 each, being the closing price of Shares as 8 October 2020)
Michael Lynch Bell (Non-executive Director)	1 April 2020 to 28 February 2021	20% to 30 June 2020 and 100% thereafter	338,764	300,000
Dr Neale Fong (Non-executive Director)	1 April 2020 to 28 February 2021	20% to 30 June 2020 and 100% thereafter	169,382	150,000
<b>TOTAL:</b>	-	-	<b>983,437</b>	<b>450,000</b>

\*Issue price calculated as fortnightly pay cycle VWAP from 1 April 2020 to 30 September 2020 and as a deemed minimum issue price of \$0.25 each from 30 September 2020 until 28 February 2021.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to support the Directors in taking a long-term view on the financial and strategic health of the Company and to build Shareholder value over time. In addition, the Board also believes that offering Director Share Rights in lieu of fees is a prudent means of conserving the Company's available cash reserves.

The Director Share Rights and Retention Share Rights are proposed to be issued under the Company's Plan, the terms of which are summarised in Schedule 2.

## 8.2 Terms and Conditions of Director Share Rights

### (a) Vesting Date

- (i) The Director Share Rights will immediately vest on the date of issue.
- (ii) The holder may exercise the Director Share Rights at any time after the date of issue and before the expiry date in respect of those Director Share Rights by submitting an exercise notice identifying the number of Director Share Rights that the holder wishes to exercise to the Company.

### (b) Expiry Date

- (i) The Director Share Rights will expire automatically at 5.00 pm WST on the date which is 2 years from their date of issue (**Expiry Date**).

- (c) Timing of issue of Shares and quotation of Shares on exercise
  - (i) As soon as practicable after the valid exercise of a vested Director Share Right in accordance with the Plan Rules, the Company will:
    - (A) issue, allocate or cause to be transferred to the holder the number of Shares to which it is entitled under the Plan;
    - (B) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
    - (C) in the event the Company is admitted to the official list of ASX at the time, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
  - (ii) All Shares issued upon the exercise of Director Share Rights will upon issue rank equally in all respects with the then issued Shares.
- (d) Restrictions on transfer or disposal of Shares
  - (i) If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Share Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
  - (ii) Except as set out in the Company's share trading policy and applicable laws, no other specific disposal restrictions apply to any Shares that are issued or transferred as a result of the exercise of the Director Share Rights.
- (e) Cessation of employment
  - (i) If the holder ceases employment or is no longer engaged by the Company (in which case the holder will be a **Leaver**), before the date of issue of the Director Share Rights, the Company will pay the holder the total value of the Reduced Amount in cash, within 7 days of becoming a Leaver, or such other time as agreed with the Company and the holder will not be granted any Director Share Rights.
  - (ii) If the holder becomes a Leaver after the date of issue of the Director Share Rights, the Director Share Rights must be exercised by the holder within 90 days after the date the holder becomes a Leaver.
  - (iii) This condition is at all times subject to the discretion of the Board.
- (f) Lapsing conditions

Where a Director Share Right is not exercised before the Expiry Date, it will automatically lapse.

### 8.3 Terms and Conditions of Retention Share Rights

- (a) Vesting Date
  - (i) The Retention Share Rights will vest on 20 February 2023.
  - (ii) The holder may exercise the Retention Share Rights at any time after their vesting date and before their expiry date by submitting an exercise notice to the Company identifying the number of Retention Share Rights that the holder wishes to exercise.
- (b) Expiry Date
  - (i) The Retention Share Rights will expire automatically at 5.00 pm WST on the date which is 2 years from their vesting date (**Expiry Date**).
- (c) Timing of issue of Shares and quotation of Shares on exercise
  - (i) As soon as practicable after the valid exercise of a vested Retention Share Right in accordance with the Plan Rules, the Company will:
    - (A) issue, allocate or cause to be transferred to the holder the number of Shares to which it is entitled under the Plan;
    - (B) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
    - (C) in the event the Company is admitted to the official list of ASX at the time, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
  - (ii) All Shares issued upon the exercise of Retention Share Rights will upon issue rank equally in all respects with the then issued Shares.
- (d) Restrictions on transfer or disposal of Shares
  - (i) If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Retention Share Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
  - (ii) Except as set out in the Company's share trading policy and applicable laws, no other specific disposal restrictions apply to any Shares that are

issued or transferred as a result of the exercise of the Retention Share Rights.

- (e) Cessation of employment
  - (i) If the holder becomes a Leaver after the vesting date of the Retention Share Rights, the Retention Share Rights must be exercised by the holder within 90 days after the date the holder becomes a Leaver.
  - (ii) This condition is at all times subject to the discretion of the Board.

- (f) Lapsing conditions

Where a Retention Share Right is not exercised before the Expiry Date, it will automatically lapse.

#### 8.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the Director Share Rights and Retention Share Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Share Rights or Retention Share Rights to be granted to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 5(a)-(d) and Resolution 6(a)-(b) are passed, the Company will be able to proceed with the issue of the Director Share Rights and Retention Share Rights to the Directors and the Directors will be remunerated accordingly based on the achievement of the Vesting Conditions set out above.

If Resolution 5(a)-(d) and Resolution 6(a)-(b) are not passed, the Company will not be able to proceed with the issue of the Director Share Rights and Retention Share Rights to the Directors and the Company may need to consider other forms of performance-based remuneration, including the payment of cash.

## 8.5 Specific information required by Listing Rule 10.15

Under and for the purposes of Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Share Rights and Retention Share Rights:

- (a) the Director Share Rights will be issued under the Plan to the Directors (or their respective nominees). The Retention Share Rights will be issued under the Plan to the non-executive Directors (being Mr Michael Lynch Bell and Dr Neale Fong) (or their respective nominees);
- (b) each of the Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Director Share Rights or Retention Share Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (c) the maximum number of Director Share Rights to be issued to the Directors (or their respective nominees) under the Plan is 983, 437, in the proportions set out in Section 8.1 above. The maximum number of Retention Share Rights to be issued to the non-executive Directors under the Plan is 450,000;
- (d) The Directors are expected to receive the following remuneration in the financial year ending 30 June 2021:

Remuneration (per annum) <sup>1</sup>	Fleta Solomon (\$)	Angus Caithness (\$)	Michael Lynch Bell (\$)	Neale Fong (\$)
Salary and fees <sup>2</sup>	295,000	260,000	120,000	60,000
Other benefits <sup>3</sup>	110,000	3,500	-	-
Post-employment benefits	28,025	24,700	11,400	5,700
Share based payments (long term incentive)	199,167	199,167	-	-
<b>Total:</b>	<b>\$632,192</b>	<b>\$487,367</b>	<b>\$131,400</b>	<b>\$65,700</b>

Notes:

1. Figures do not include the issue of the Director Share Rights and Retention Share Rights the subject of Resolution 5(a)-(d) and Resolution 6(a)-(b).
2. If the Director Share Rights and Retention Share Rights the subject of Resolutions 5(a)-(d) and Resolutions 6(a)-(b) are approved, these amounts will be decreased by the amounts set out in those resolutions.

3. These represent a cost of living away allowance for Ms Solomon and car parking for Mr Caithness.
- (e) the Directors have not previously been issued Securities under the Plan;
- (f) the Director Share Rights and Retention Share Rights will be issued on the terms and conditions set out in Schedule 2. The Board considers that Director Share Rights and Retention Share Rights, rather than Shares, are an appropriate form of financial benefit on the basis that:
- (i) the Retention Share Rights will only vest in full upon the relevant period of service being completed (as opposed to issuing Shares upfront, which would then require cancellation in the event the period of service is not completed); and
- (ii) the issue of rights instead of issuing Shares upfront allows the Directors to manage the taxation impact of the issues;
- (g) As the number of Director Share Rights are to be issued under the Plan based on a VWAP and with no discount or premium applied, the value the Company attributes to the Director Share Rights is the value of the salary/fees to be sacrificed, which is outlined below. Further, as the Company's Share price at the vesting date of the Retention Share Rights (being 20 February 2023) is unknown, the value the Company attributes to the Retention Share Rights to be issued to the non-executive Directors under the Plan is equal to the number of Retention Share Rights in each case, multiplied by the closing price of Shares on ASX as at 8 October 2020 (being \$0.28):

Director	Value of Director Share Rights and Retention Share Rights		
	Director Share Rights	Retention Share Rights <sup>1</sup>	TOTAL
Fleta Solomon	\$58,587	N/A	\$58,587
Angus Caithness	\$75,036	N/A	\$75,036
Michael Lynch Bell	\$93,240	\$84,000	\$177,240
Neale Fong	\$46,620	\$42,000	\$88,620

Notes: It is assumed the probability of the non-executive Directors remaining Directors or employees as at the vesting date of 20 February 2023 is 100%.

- (h) the Director Share Rights and Retention Share Rights will be issued no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the deemed issue price of the Director Share Rights is equal to the higher of the VWAP of Shares for the relevant fortnightly pay cycle and \$0.25 per Share. The Retention Share Rights will have an issue price of nil as they will be issued as part of each non-executive Director's remuneration package;
- (j) a summary of the material terms of the Plan is set out in Schedule 2;
- (k) no loan will be provided to the Directors in relation to the issue of the Director Share Rights or Retention Share Rights;
- (l) details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after any or both of Resolution 5(a)-(d) and Resolution 6(a)-(b) are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (m) a voting exclusion statement is included in the Notice in respect of each of Resolution 5(a)-(d) and Resolution 6(a)-(b).

## 8.6 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a material personal interest in the outcome of each of their respective Resolutions under Resolution 5(a)-(d) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Share Rights to the Directors to Shareholders to resolve upon.

## 8.7 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Share Rights and Retention Share Rights constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Share Rights proposed to be issued to the Directors pursuant to Resolution 5(a)-(d).

The Board (other than Mr Lynch Bell and Dr Fong who each have a material personal interest in Resolution 6(a)-(b)) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Retention Share Rights to the non-executive Directors due to the exceptions in sections 210 and 211 of the Corporations Act.

## 8.8 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Share Rights:

- (a) Identity of the related parties to whom Resolution 5(a)-(d) permits financial benefits to be given

The Director Share Rights will be issued to the Directors or their respective nominees.

- (b) Nature of the financial benefit

Resolution 5(a)-(d) seeks approval from Shareholders to allow the Company to issue the Director Share Rights in the amounts specified in Section 8.1 above to the Directors or their nominees. The Director Share Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Section 8.2 above.

The Shares to be issued upon conversion of the Director Share Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

- (c) Valuation of financial benefit

A valuation of the Director Share Rights is set out in Section 8.5(g) above.

(d) Remuneration of Directors

The current total remuneration package for each of the Directors as at the date of this Notice is set out in Section 8.5(d) above.

(e) Existing relevant interests

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Performance Rights	Options
Fleta Solomon	19,600,000	1,500,000 <sup>1</sup>	Nil
Angus Caithness	5,677,491	1,500,000 <sup>1</sup>	3,500,000 <sup>2</sup>
Michael Lynch-Bell	600,000	Nil	Nil
Neale Fong	925,000	Nil	Nil

Notes:

- Performance Rights associated with the Company's long-term incentive plan, as detailed in Section 6 (Directors' Report) of the Company's Annual Report for the year ended 30 June 2020.
- Options exercisable at \$0.30 each on or before 28 February 2022.

Assuming that each of the separate resolutions comprising Resolution 5(a)-(d) are approved by Shareholders, all of the Director Share Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- Ms Solomon's interest would represent approximately 14.6% of the Company's expanded capital;
- Mr Caithness's interest would represent approximately 4.4% of the Company's expanded capital;
- Mr Lynch-Bell's interest would represent approximately 0.9% of the Company's expanded capital; and
- Dr Fong's interest would represent approximately 0.9% of the Company's expanded capital.

(f) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest:	\$0.46 per Share on 21 February 2020
Lowest:	\$0.18 per Share on 24 March 2020

The latest available closing market sale price of the Shares on ASX prior to submission of this Notice to ASX for review was \$0.28 per Share on 8 October 2020.

(g) Dilution

The issue of the Director Share Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Share Rights vest and are exercised. The potential dilution effect is summarised below:

Director Share Rights	Dilutionary effect
983, 437	0.7%

The above table assumes the current Share capital structure as at the date of this Notice (being 134,359,663 Shares on 8 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Director Share Rights. The actual dilution will depend on the extent to which additional Shares are issued by the Company.

(h) Corporate governance

Ms Solomon and Mr Caithness are executive directors of the Company and therefore the Board believes that the grant of the Director Share Rights is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board notes that the Director Share Rights to be issued to the non-executive Directors are not performance-based, which is in line with good corporate governance protocols. There are no vesting or employment conditions attached to the Director Share Rights as they are being issued in satisfaction of part of the Directors' fees. The Board considers the grant of Director Share Rights to the non-executive Directors reasonable in the circumstances for the reasons set out above.

(i) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Director Share Rights (including fringe benefits tax).

(j) Director recommendations

The Directors decline to make a recommendation to Shareholders in relation to Resolution 5(a)-(d) due to their material personal interests in the outcome of Resolution 5(a)-(d).

(k) Other information

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5(a)-(d).

## 8.9 Board recommendation

Resolution 5(a)-(d) and Resolution 6(a)-(b) are conditional on the passing of Resolution 3. If Resolution 3 is not approved at the Meeting, Resolution 5(a)-(d) and Resolution 6(a)-(b) will not be put to the Meeting.

Resolution 5(a)-(d) and Resolution 6(a)-(b) are each ordinary resolutions.

The Directors decline to make a recommendation to Shareholders in relation to each of the Resolutions comprising Resolution 5(a)-(d) due to their material personal interests in the outcome of Resolution 5(a)-(b).

The Directors (other than Mr Lynch-Bell and Dr Fong, who have a material personal interest in the outcome of each of Resolution 6(a)-(b)) recommend that Shareholders vote in favour of each of Resolution 6(a)-(b) for the following reasons:

- (a) the issue of rights instead of issuing Shares upfront allows the Directors to manage the taxation impact of the issue;
- (b) the grant of the Retention Share Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the non-executive Directors; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Retention Share Rights upon the terms proposed.

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## 9. Resolution 7 – Approval of 10% Placement Facility

### 9.1 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 securities it had on issue at the start of that 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% (**10% Placement Facility**).

Resolution 7 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 9.2(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c) below).

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## 9.2 Listing Rule 7.1A

### (a) Is the Company an eligible entity?

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less.

The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$37.6 million, based on the closing price of Shares (\$0.28) on 8 October 2020.

### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue on quoted class of Equity Securities, being Shares.

### (c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the 12-month period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:
  - the agreement was entered into before the 12-month period; or
  - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
- (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or

agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

- (d) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

- (e) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the time and date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

- (f) What is the effect of Resolution 7?

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### 9.3 Specific information required by Listing Rule 7.3A

Under and for the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

- (a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 9.2(e) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 9.2(d) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds to support the Company where unforeseen expenditure requirements arise in connection with the COVID-19 pandemic, for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), the development, manufacture and commercialisation of the Company's technology and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

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

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 9.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and

- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.14 50% decrease in Current Market Price	\$0.28 Current Market Price	\$0.56 100% increase in Current Market Price
134,467,663 Shares Variable A	10% Voting Dilution	13,446,766 Shares	13,446,766 Shares	13, 446,766 Shares
	Funds raised	\$1,882,547	\$3,765,095	\$7,530,189
201,701,495 Shares 50% increase in Variable A	10% Voting Dilution	20,170,149 Shares	20,170,149 Shares	20,170,149 Shares
	Funds raised	\$2,823,821	\$5,647,642	\$11,295,284
268,935,326 Shares 100% increase in Variable A	10% Voting Dilution	26,893,533 Shares	26,893, 533 Shares	26,893,533 Shares
	Funds raised	\$3,765,095	\$7,530,189	\$15,060,378

Notes:

3. The table has been prepared on the following assumptions:
- the issue price is the current market price (\$0.28), being the closing price of the Shares on ASX on 8 October 2020, being the last day that the Company's Shares traded on the ASX before this Notice was submitted to ASX for review;
  - Variable A comprises 134,467,663 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
  - the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;

- (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
- (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

4. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
7. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issues in the past 12 months

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

(g) Voting exclusion statement

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

#### 9.4 **Board recommendation**

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 7.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>10% Placement Facility</b>	has the meaning given in Section 9.1.
<b>10% Placement Period</b>	has the meaning given in Section 9.2(e).
<b>\$ or A\$</b>	means Australian Dollars.
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
<b>ASX</b>	means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Clause</b>	means a clause of the Constitution.
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"> <li>(a) a spouse or child of the member; or</li> <li>(b) has the meaning given in section 9 of the Corporations Act.</li> </ul>
<b>Company</b>	means Little Green Pharma Ltd ACN 615 586 215.
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.

<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Material Investor</b>	<p>means, in relation to the Company:</p> <ul style="list-style-type: none"> <li>(a) a related party;</li> <li>(b) Key Management Personnel;</li> <li>(c) a substantial Shareholder;</li> <li>(d) an advisor; or</li> <li>(e) an associate of the above,</li> </ul> <p>who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.</p>
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Minimum Issue Price</b>	has the meaning given in Section 9.2(d).
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or Performance Securities).

<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
<b>Trading Day</b>	has the meaning given in the Listing Rules.
<b>Vacating Directors</b>	means the Directors who were directors of the Company when the resolution to make the Director's Report considered at the Meeting was passed, other than the managing director at that time (if any).
<b>VWAP</b>	means volume weighted average market price.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
  - (a) is an 'eligible participant' (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
  
2. **(Purpose):** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
  
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
  
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
  
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
  
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a

Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to

vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing

Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00 PM (AWST) on Tuesday, 24 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 184597**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of Little Green Pharma Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Little Green Pharma Ltd to be held at Suite 2, Level 2, 66 Kings Park Road, West Perth, Western Australia on Thursday, 26 November 2020 at 2:00 PM (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 3, 4, 5(a), 5(b), 5(c), 5(d), 6(a) and 6(b) (except where I/we have indicated a different voting intention in step 2) even though Items 1, 3, 4, 5(a), 5(b), 5(c), 5(d), 6(a) and 6(b) are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 3, 4, 5(a), 5(b), 5(c), 5(d), 6(a) and 6(b) by marking the appropriate box in step 2.

## Step 2 Items of Business

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

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5(a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5(d)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

