

LITTLE GREEN PHARMA LTD  
ACN 615 586 215

NOTICE OF  
**General  
Meeting**

The General Meeting of the Company will be held as follows:

**Time and date:** 3:00pm (AWST) on Tuesday, 31 January 2023

**Virtually:** Via Zoom webinar. 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/egm-jan-2023>

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

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Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.



## Notice of General Meeting

Notice is given that the general meeting of Little Green Pharma Ltd will be held virtually on Tuesday, 31 January 2023 at 3:00pm (AWST) (Meeting).

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.

## Agenda

### **Resolution 1 – Ratification of issue of Placement Shares**

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

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Placement Shares under Listing Rule 7.1A, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 2 – Ratification of agreement to issue Placement Options**

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

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue or agreement to issue 20,000,000 Placement Options, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 – Ratification of agreement to issue SPP Options**

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

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue or agreement to issue up to 10,000,000 SPP Options, on the terms and conditions in the Explanatory Memorandum.'*

#### Resolution 4 – *Approval of New Plan*

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

*'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the new employee incentive scheme of the Company known as the "Little Green Pharma Ltd Employee Securities Incentive Plan" (New Plan) and the issue of up to a maximum number of 26,000,000 Securities under the New Plan over a period of up to three years from the date of the Meeting, on the terms and conditions in the Explanatory Memorandum.'*

#### Resolution 5 – *Approval of potential termination benefits under the New Plan*

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

*'That, conditional on Resolution 4 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 New Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for 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, on the terms and conditions in the Explanatory Memorandum.'*

#### Resolution 6 – *Modification of existing Constitution*

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

*'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this resolution is passed.'*

#### Resolution 7 – *Approval to issue Performance Rights to Directors*

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

*'That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Ms Solomon and Mr Caithness (or their respective nominees) under the New Plan as follows:*

- (a) up to 1,500,000 Performance Rights to Ms Solomon (or her nominee); and
- (b) up to 1,500,000 Performance Rights to Mr Caithness (or his nominee),

*on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 8 – Approval to issue Director Placement Shares and Director Placement Options to the Participating Directors**

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

*'That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Director Placement Shares and Director Placement Options to the Participating Directors (or their respective nominees) as follows:*

- (a) *up to 250,000 Director Placement Shares to Mr Michael Lynch-Bell (or his nominees);*
- (b) *up to 125,000 Director Placement Shares to Dr Neale Fong (or his nominees);*
- (c) *up to 250,000 Director Placement Shares to Ms Fleta Solomon (or her nominees);*
- (d) *up to 250,000 Director Placement Shares to Mr Angus Caithness (or his nominees);*
- (e) *up to 250,000 Director Placement Options to Mr Michael Lynch-Bell (or his nominees);*
- (f) *up to 125,000 Director Placement Options to Dr Neale Fong (or his nominees);*
- (g) *up to 250,000 Director Placement Options to Ms Fleta Solomon (or her nominees); and*
- (h) *up to 250,000 Director Placement Options to Mr Angus Caithness (or his nominees),*

*on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 9 – Approval to issue Employee Placement Shares and Employee Placement Options to Paul Long**

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:*

- (a) *125,000 Employee Placement Shares; and*
- (b) *125,000 Employee Placement Options,*

*to Mr Paul Long (or his nominees), 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 1, Resolution 2 and Resolution 3:** by or on behalf of any person who participated in the issue or is a counterparty to the agreements being approved, or any of their respective associates;
- (b) **Resolution 4:** by or on behalf of a person who is eligible to participate in the New Plan, or any of their respective associates;
- (c) **Resolution 7(a):** by or on behalf of Fleeta Solomon (or her nominees), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the New Plan, or any of their respective associates;
- (d) **Resolution 7(b):** by or on behalf of Angus Caithness (or his nominees), and any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the New Plan, or any of their respective associates;
- (e) **Resolution 8(a) and (e):** by or on behalf of Michael Lynch-Bell (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares and Director Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (f) **Resolution 8(b) and (f):** by or on behalf of Neale Fong (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares and Director Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (g) **Resolution 8(c) and (g):** by or on behalf of Fleeta Solomon (or her nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares and Director Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (h) **Resolution 8(d) and (h):** by or on behalf of Angus Caithness (or his nominees), and any other person who will obtain a material benefit as a result of the issue of these Director Placement Shares and Director Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (i) **Resolution 9(a) and (b):** by or on behalf of Paul Long (or his nominees), and any other person who will obtain a material benefit as a result of the issue of the Employee Placement Shares and Employee Placement Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

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.

## Voting prohibitions

**Resolution 4, Resolution 5 and Resolution 7(a) and (b):** 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 the 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 the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in respect of **Resolution 5**, in accordance with section 200E(2A) of the Corporations Act, a vote on this **Resolution 5** must not be cast by any participants or potential participants in the New 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 7(a) and (b):** In accordance with section 224 of the Corporations Act, a vote on these Resolutions 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 red ink, appearing to be "Alistair Warren".

Alistair Warren  
**Company Secretary**  
**Little Green Pharma Ltd**  
Dated: 29 December 2022

## Explanatory Memorandum

### 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 virtually at the offices of the Company, at Suite 2, Level 2, 66 Kings Park Road, West Perth WA 6005 on Tuesday, 31 January 2023 at 3:00pm (AWST).

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	Resolution 1 – Ratification of issue of Placement Shares
Section 4	Resolution 2 – Ratification of agreement to issue Placement Options
Section 5	Resolution 3 – Ratification of agreement to issue SPP Options
Section 6	Resolution 4 – Approval of New Plan
Section 7	Resolution 5 – Approval of potential termination benefits under the New Plan
Section 8	Resolution 6 – Modification of existing Constitution
Section 9	Resolution 7(a) and (b) – Approval to issue Performance Rights to Directors
Section 10	Resolution 8 – Approval to issue Director Placement Shares and Director Placement Options to the Participating Directors
Section 11	Resolution 9 – Approval to issue Employee Placement Shares and Employee Placement Options to Paul Long
Schedule 1	Definitions
Schedule 2	Terms and Conditions of the Placement Options, SPP Options and Director and Employee Placement Options
Schedule 3	Summary of material terms of New Plan
Schedule 4	Terms and conditions of Performance Rights
Schedule 5	Valuation of Performance Rights

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 *Voting on a poll*

All votes taken at the Meeting will be conducted by way of a poll.

### 2.2 *No voting in person*

Please refer to the information below on how Shareholders can participate in the Meeting.

As Shareholders will not be entitled to physically attend the Meeting, it will be deemed to be held at the registered office of the Company in accordance with section 249RA(1)(c) of the Corporations Act.

### 2.3 *Voting by proxy*

All voting will be conducted by poll. 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 set out below.

Shareholders may also submit their proxies electronically through the Company Registry's Investor Vote website, <https://www.investorvote.com.au/> (control number 182073) at any time prior to the Proxy Cut Off Time.

The Directors instruct all Shareholders who would like to have their vote counted to either:

- (a) vote by lodging a Proxy Form prior to 3:00pm (AWST) on Sunday, 29 January 2023 (**Proxy Cut-Off Time**) (recommended); or
- (b) contact the Company at [cosec@lgp.global](mailto:cosec@lgp.global) or by phone at (08) 6280 0050 prior to the Proxy Cut-Off Time if they wish to participate and vote the virtual Meeting and vote live on a poll at the virtual Meeting, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the virtual Meeting.

In order for your proxy to be valid, your Proxy Form (and any power of attorney under which it is signed) must be received by the Proxy Cut-Off Time. **Proxies received after this time will be invalid.**

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

### 2.4 *Attending the Meeting virtually*

The Meeting will be virtually accessible to all Shareholders, and will allow Shareholders, as a whole, a reasonable opportunity to participate without being physically present at 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/egm-jan-2023>

The technology used to hold the Meeting will be reasonable and, Shareholders entitled to attend and vote at the Meeting, will be able to:

- (a) view the Meeting live;
- (b) exercise a right to speak (including a right to ask questions) orally at the Meeting; and
- (c) cast votes in real time on a poll during the Meeting.

How Shareholders can participate:

- (a) Shareholders are strongly urged to vote by lodging a Proxy Form prior to the Meeting and to appoint the Chair as your proxy. Shareholders can complete the Proxy Form or submit their proxies electronically through the [www.investorvote.com.au](http://www.investorvote.com.au) website to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (including for online submission) are set out in the Proxy Form and are also available on the Company's investor centre website at <https://investor.littlegreenpharma.com/site/egm-jan-2023>. If a person other than the Chair is appointed as your proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.
- (b) Shareholders who intend to participate and vote live on a poll at the virtual Meeting must contact the Company at [cosec@lgp.global](mailto:cosec@lgp.global) or by phone at (08) 6280 0050 to notify the Company that you intend to participate and vote live on a poll at the virtual Meeting. You will also need to register and access the virtual Meeting by Zoom webinar to follow the Meeting and timing of the poll. After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called during the Meeting and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.

Lodgement of a Proxy Form will not preclude a Shareholder from participating in the virtual Meeting.

## 2.5 *Chair's voting intentions*

Subject to the following paragraph, if the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 4, Resolution 5, and Resolution 7(a) and (b) even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

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.

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

## 2.6 *Submitting questions*

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [cosec@lgp.global](mailto:cosec@lgp.global).

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. 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. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 3. *Resolution 1 – Ratification of issue of Placement Shares*

### 3.1 *General*

On 2 November 2022, the Company announced:

- (a) an offer to certain eligible Shareholders under a share purchase plan (**SPP**) to raise up to \$2,000,000 before costs by the issue of up to 10,000,000 Shares at \$0.20 each (**SPP Shares**) together with 1 free-attaching unquoted option for every 1 Share subscribed for under the SPP (**SPP Options**);
- (b) it had secured commitments for a placement to raise approximately \$4,000,000 (before costs) (**Placement**) by the issue of:
  - (i) 20,000,000 Shares at \$0.20 each (**Placement Shares**); and
  - (ii) 1 free-attaching unquoted option for every 1 Share subscribed for under the Placement (**Placement Options**),
 (the **Placement Securities**), to institutional and sophisticated investors; and
- (c) it had secured commitments for a further \$200,000 (**Director and Employee Placement**) by the proposed issue of:
  - (i) 875,000 Shares at \$0.20 each (**Director Placement Shares**); and
  - (ii) 1 free-attaching unquoted option for every 1 Share subscribed for under the Director and Employee Placement (**Director Placement Options**),

(the **Director Placement Securities**), to the Directors of the Company who participated in the Director and Employee Placement (**Participating Directors**); and

(iii) 125,000 Shares at \$0.20 each (**Employee Placement Shares**); and

(iv) 1 free-attaching unquoted option for every 1 Share subscribed for under the Director and Employee Placement (**Employee Placement Options**),

(the **Employee Placement Securities**), to the Company's chief operating officer, Paul Long.

On 9 November 2022, the Company issued 20,000,000 Placement Shares using the Company's placement capacity under Listing Rule 7.1A.

On or about 19 January 2023, the Company will issue 20,000,000 Placement Options and up to 10,000,000 SPP Options using the Company's placement capacity under Listing Rule 7.1. The final number of SPP Options will be determined by the number of SPP Shares subscribed for by eligible Shareholders under the SPP.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

### 3.2 *Listing Rules 7.1, 7.1A and 7.4*

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 29 August 2022.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Securities.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 10% additional placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 1 is passed, 20,000,000 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, 20,000,000 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 20,000,000 Equity Securities for the 12 month period following the issue of the Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

### 3.3 *Specific information required by Listing Rule 7.5*

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to sophisticated and institutional investors, none of whom is a Material Investor of the Company (**Placement Participants**). Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement. The Placement Participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager.
- (b) A total of 20,000,000 Placement Shares were issued within the Company's placement capacity permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The Placement Shares are fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 9 November 2022.
- (e) The Placement Shares were issued at \$0.20 per Share.
- (f) The proceeds from the issue of the Placement Shares have been and are intended to be applied towards:
  - (i) sales and marketing;
  - (ii) to fund general working capital; and
  - (iii) to pay the costs of the SPP and Placement.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

### 3.4 *Additional information*

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

## 4. Resolution 2 – *Ratification of agreement to issue Placement Options*

### 4.1 *General*

The background to the proposed issue of the Placement Options is set out in Section 3.1 above.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue or agreement to issue 20,000,000 Placement Options to the Placement Participants.

### 4.2 *Listing Rules 7.1 and 7.4*

A summary of Listing Rules 7.1 and 7.4 is set out in Section 3.2 above.

The issue of the Placement Options does not fit within any of the exceptions to Listing Rules 7.1, as it has not yet been approved by Shareholders, will effectively use up part of the Company's 15% placement capacity under Listing Rule 7.1. This will reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Options.

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 2 is passed and the Company issues the Placement Options no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), the issue or agreement to issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed or the Placement Options are issued later than 3 months after the date of the Meeting (save for a later date permitted by ASX), the Company's ongoing capacity to issue or agree to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 20,000,000 Equity Securities for the 12 month period following the issue of those Placement Options.

### 4.3 *Specific information required by Listing Rule 7.5*

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Options:

- (a) The Placement Options will be issued to the Placement Participants (refer to Section 3.3(a) above for further details of the Placement Participants).
- (b) On or about 19 January 2023 or such other date determined by the Company, the Company will issue 20,000,000 Placement Options utilising the Company's placement capacity permitted under Listing Rule 7.1.

- (c) The Placement Options will be exercisable at \$0.25 each and expire 18 months from the date of issue and will otherwise be subject to the terms and conditions in Schedule 2.
- (d) The Placement Options will be issued on or about 19 January 2023 or such other date determined by the Company, and in any event no later than three months after the date of the Meeting.
- (e) The Placement Options are being issued as free attaching Options to the Placement Shares. Accordingly, nil additional cash consideration will be payable by the Placement Participants.
- (f) There are no other material terms to the agreement for the subscription of the Placement Options.
- (g) A voting exclusion statement is included in the Notice.

#### 4.4 *Additional information*

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

### 5. **Resolution 3 – *Ratification of agreement to issue SPP Options***

#### 5.1 *General*

The background to the issue of the SPP Options is set out in Section 3.1 above.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue or agreement to issue up to 10,000,000 SPP Options to the existing eligible Shareholders who subscribed for SPP Shares under the SPP.

#### 5.2 *Listing Rules 7.1 and 7.4*

A summary of listing Rule 7.1 and 7.4 is set out in Section 3.2 above.

The issue of the SPP Options does not fit within any of the exceptions to Listing Rules 7.1, as it has not yet been approved by Shareholders, will effectively use up part of the Company's 15% placement capacity under Listing Rule 7.1. This will reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the SPP Options.

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, and the Company issues the SPP Options no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or

modification of the Listing Rules), the issue or agreement to issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date. The final number of SPP Options excluded in calculating the Company's 15% limit will be determined by the number of SPP Shares subscribed for.

If Resolution 3 is not passed or the SPP Options are issued later than 3 months after the date of the Meeting (save for a later date permitted by ASX), the Company's ongoing capacity to issue or agree to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of up to 10,000,000 Equity Securities for the 12 month period following the issue of those SPP Options. The final number of SPP Options included in calculating the Company's 15% limit will be determined by the number of SPP Shares subscribed for.

### 5.3 *Specific information required by Listing Rule 7.5*

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the SPP Options:

- (a) The SPP Options will be issued to existing eligible Shareholders who participated in the SPP (or their respective nominees). The Company is not aware of any subscribers who is a related party of the Company or a Material Investor, however, as at the date of this Notice, the Company does not have a final list of applicants under the SPP. The Company will not accept applications under the SPP from related parties of the Company.
- (b) On or about 19 January 2023 or such other date determined by the Company, the Company will issue up to a total of 10,000,000 SPP Options utilising the Company's placement capacity permitted under Listing Rule 7.1.
- (c) The SPP Options will be exercisable at \$0.25 each and expire 18 months from the date of issue and will otherwise be subject to the terms and conditions in Schedule 2.
- (d) The SPP Options will be issued on or about 19 January 2023 or such other date determined by the Company and in any event no later than three months after the date of the Meeting.
- (e) The SPP Options will be issued for nil consideration as free attaching Options to the SPP Shares and as such no funds will be raised from their issue.
- (f) There are no other material terms to the agreement for the subscription of the SPP Options.
- (g) A voting exclusion statement is included in the Notice.

### 5.4 *Additional information*

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.



## 6. Resolution 4 – *Approval of New Plan*

### 6.1 *General*

On 1 October 2022, amendments to the Corporations Act came into effect, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014. Entities may continue to make new offers under the Class Order relief until 1 January 2023.

To ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that came into effect on 1 October 2022.

Resolution 4 seeks Shareholder approval for the adoption of the new ESS titled the 'Little Green Pharma Ltd Employee Securities Incentive Plan' (**New Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.

Under the New 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 New Plan, a summary of the key terms and conditions is in Schedule 3. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the New 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 *Key changes between the Class Order and New Regime*

The following table summarises the key changes implemented by the New Regime for "Invitations" (within the meaning given in the New Plan) made on or after 1 October 2022:

	Current position under the Class Order	Position from 1 October 2022
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS Interests are offered for monetary consideration or for no monetary consideration.</p>	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p> <p><b>If the offer of ESS Interests is for monetary consideration:</b></p> <ul style="list-style-type: none"> <li>Certain prescribed disclosure requirements apply. These disclosure requirements are similar</li> </ul>

	Current position under the Class Order	Position from 1 October 2022
		<p>(although different) to the current disclosure requirements under the Class Order.</p> <ul style="list-style-type: none"> <li>The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul style="list-style-type: none"> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Any casual employees and service providers to the entity (with no minimum requirement of hours of service provided);</li> <li>Certain ‘related persons’ to the above.</li> </ul>
5% limit	The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There is no limit on the number of such ESS Interests that may be issued.</p> <p><b>If the offer of ESS Interests is for monetary consideration:</b> The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution, which the Company seeks to do under Resolution 6, amending this cap to 10% of its issued share capital.</p>

	Current position under the Class Order	Position from 1 October 2022
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS Interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS Interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS Interests regardless of any suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices (or cleansing prospectuses for entities unable to rely on a cleansing notice) must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	<p>There are no ASIC lodgement requirements.</p> <p>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.</p> <p>ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.</p>
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

### 6.3 *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.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the New Plan from those set out in this Notice in Schedule 3.

If Resolution 4 is passed, the Company will be able to issue up to a maximum of 26,000,000 Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship 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.

If Resolution 4 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company's 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

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

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) A summary of the material terms of the New Plan is in Schedule 3.
- (b) As at the date of this Notice, no Equity Securities have been issued under the New Plan.
- (c) The Company adopted its existing employee securities incentive plan called the 'Little Green Pharma Employee Securities Incentive Plan' under Listing Rule 7.2, exception 13(b) at its 2020 annual general meeting (**Existing Plan**).
- (d) Since the Existing Plan was last approved by Shareholders at the Company's 2021 annual general meeting held on 22 November 2021 under Listing Rule 7.2, exception 13(b), the Company has issued the following Equity Securities under the Existing Plan:

Issue date	Equity Security	Number of Equity Securities
6 September 2022	Shares	359,000
6 September 2022	Share Rights	619,000
20 July 2022	Share Rights	150,000
20 July 2022	Shares	50,000

- (e) The maximum number of Equity Securities proposed to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 4 is 26,000,000 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Shares currently on issue. The maximum number of Equity Securities is not intended to be a prediction of the actual number to be issued under the New Plan but is specified for the purpose of setting a ceiling in accordance with Listing Rule 7.2 exception 13(b). It is not envisaged that the maximum number of Equity Securities for which approval is obtained will be issued immediately.
- (f) A voting exclusion statement is included in the Notice.

## 6.5 *Additional information*

Resolution 4 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 4 due to their personal interests in the outcome of the Resolution.

## 7. **Resolution 5 – *Approval of potential termination benefits under the New 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 New 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 New 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 New Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 5 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the New Plan.

## 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 New 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 New 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 New 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 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 New 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 *Valuation 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 New 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 *Additional information*

Resolution 5 is conditional on the passing of Resolution 4.

If Resolution 4 is not approved at the Meeting, Resolution 5 will not be put to the Meeting.

Resolution 5 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 5 due to their potential personal interests in the outcome of the Resolution.

### 8. **Resolution 6 – *Modification of existing Constitution***

#### 8.1 *General*

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 seeks the approval of Shareholders to modify the Company's existing Constitution.

The proposed modifications to the existing Constitution will provide the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the New Plan to 10% (see Section 6.2 above).

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.

The Directors believe that this amendment is not material nor will it have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website <https://investor.littlegreenpharma.com/site/about/corporate-governance> and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company Secretary at [cosec@lgp.global](mailto:cosec@lgp.global). Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 6 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution is passed.

## 8.2 *Summary of material proposed changes*

### (a) **Issue cap for offers involving monetary consideration under an employee incentive scheme**

The proposed amendment provides the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the New Plan to 10% (see Section 6.2 above).

Set out below are the proposed modifications to Articles 1 and 2 of the existing Constitution:

- (i) Insert as new definitions in Article 1.1:

*ESS Interests* has the meaning under section 1100M(1) of the Corporations Act.

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

- (ii) Insert as a new Article 2.8:

#### **2.8 *Issue cap for offers involving monetary consideration under an employee incentive scheme***

*For the purposes of section 1100V(2)(a) of the Corporations Act, the Company may only make an offer of ESS Interests if, at the time the offer is made, the Company reasonably believes:*

*(a) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the offer; and*

*(b) the total number of Shares that are, or are covered by, the ESS Interests that have been issued, or could have been issued, under offers made under the Company's employee share scheme at any time during the 3 year period ending on the day the offer is made,*

*does not exceed 10% of the number of Shares actually on issue as at the start of the day the offer is made.*



### 8.3 *Additional information*

Resolution 6 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 6.

## 9. Resolution 7(a) and (b) – *Approval to issue Performance Rights to Directors*

### 9.1 *General*

The Company is proposing, subject to obtaining Shareholder approval and the adoption of the New Plan (the subject of Resolution 4), to issue up to a total of 3,000,000 performance rights to Ms Fleta Solomon (or her nominee) and Mr Angus Caithness (or his nominee) (collectively, the **Performance Rights**) under the New Plan as follows:

Class	Milestone	Milestone Period	Expiry Date	Number of Performance Rights <sup>1</sup>	
				Fleta Solomon	Angus Caithness
Tranche 1 Class I	Company's 20-Day VWAP equalling or exceeding \$0.50	3 years from the date of issue	5 years from the date of issue	500,000	500,000
Tranche 2 Class J	Company's 20-Day VWAP equalling or exceeding \$0.60	3 years from the date of issue	5 years from the date of issue	500,000	500,000
Tranche 3 Class K	Company's 20-Day VWAP equalling or exceeding \$0.75	3 years from the date of issue	5 years from the date of issue	500,000	500,000
<b>Total</b>				<b>1,500,000</b>	<b>1,500,000</b>

1. *The terms and conditions of the Performance Rights are in Schedule 4.*

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 of the Performance Rights seeks to align the efforts of Ms Solomon and Mr Caithness in seeking to achieve growth of the Share price and in the creation of Shareholder value. The Board (other than Ms Solomon and Mr Caithness) believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolution 7(a) and (b) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to 3,000,000 Performance Rights under the New Plan to Ms Solomon and Mr Caithness or their respective nominees.

## 9.2 *Listing Rule 10.14*

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship with the entity 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 Shareholders.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, as the issue of the Performance Rights to Ms Solomon and Mr Caithness (or their respective nominees) falls within Listing Rule 7.2, exception 14, the issue will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1.

The effect of Shareholders passing Resolution 7(a) and (b) will be to allow the Company to issue up to 3,000,000 Performance Rights to Ms Solomon and Mr Caithness (or their respective nominees).

If Resolution 7(a) and (b) are not passed, the Company will not be able to proceed with the issue of up to 3,000,000 Performance Rights to Ms Solomon and Mr Caithness (or their respective nominees), and the Company will have to consider alternative commercial means to incentivise Ms Solomon and Mr Caithness.

## 9.3 *Specific information required by Listing Rule 10.15*

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) The Performance Rights will be issued under the New Plan to Ms Solomon and Mr Caithness (or their respective nominees).
- (b) Ms Solomon and Mr Caithness fall into the category stipulated by Listing Rule 10.14.1 by virtue of being Directors of the Company.
- (c) A maximum of 3,000,000 Performance Rights will be issued to Ms Solomon and Mr Caithness (or their respective nominees) in the proportions set out in Section 9.1 above.

- (d) The current total annual remuneration package for Ms Solomon and Mr Caithness as at the date of this Notice are set out below:

Director	Salary and fees (exclusive of superannuation)	Short Term Incentive Plan	Car parking benefits
Fleta Solomon	\$305,000	\$24,400	\$4,200
Angus Caithness	\$270,000	\$21,600	Nil

- (e) No Equity Securities have previously been issued under the New Plan to Ms Solomon or Mr Caithness (or their respective nominees).
- (f) Since the Existing Plan was first adopted by Shareholders at the Company's 2020 annual general meeting, the Company has issued the following Equity Securities to Ms Solomon and Mr Caithness under the Existing Plan:

Director	Date of issue	Number and Type of Equity Securities	Average acquisition price (\$)
Fleta Solomon	6 September 2022	18,000 Shares	Nil
		72,000 Share Rights	Nil
Angus Caithness	6 September 2022	16,000 Shares	Nil
		64,000 Share Rights	Nil

In addition to the above, Shareholders approved the issue of Shares in lieu of an agreed percentage of director fees over specified periods under the Existing Plan to Ms Solomon and Mr Caithness at the Company's annual general meeting held on 30 August 2022 (**Director Service Shares**) (refer to resolution 5 and section 8 of the Company's notice of annual general meeting dated 29 July 2022). It is not clear as at the date of this Notice the exact number of Director Service Shares that may be issued to Ms Solomon and Mr Caithness (or their respective nominees) during the relevant period, however the following illustrates the maximum number of Director Service Shares that may be issued:

- (i) up to 244,000 Shares to Ms Solomon (or her nominees); and
- (ii) up to 432,000 Shares to Mr Caithness (or his nominees).
- (g) The Performance Rights will be issued on the terms and conditions set out in Schedule 4.
- (h) The Board considers that Performance Rights are an appropriate form of incentive because they reward and incentivise Ms Solomon and Mr Caithness for their ongoing

support to the Company. Additionally, the issue of Performance Rights instead of cash is a prudent means of conserving the Company's available cash reserves.

- (i) The valuation of the Performance Rights is set out in Schedule 5.
- (j) The Performance Rights will be issued to Ms Solomon and Mr Caithness (or their respective nominees) as soon as practicable following the Meeting and in any event not later than three years after the Meeting.
- (k) The Performance Rights will be issued for nil cash consideration. The rationale for the issue of the Performance Rights is to reward and incentivise Ms Solomon and Mr Caithness for their continued service to the Company in accordance with the terms of their negotiated remuneration packages, as well as to retain highly experienced and qualified key management personnel in a competitive market.
- (l) A summary of the material terms of the New Plan is in Schedule 3.
- (m) No loan will be provided to Ms Solomon or Mr Caithness in relation to the issue of the Performance Rights.
- (n) Details of any securities issued under the New Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (o) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the New Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (p) A voting exclusion statement is included in the Notice.

#### 9.4 *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 proposed issue of the Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board (other than Ms Solomon and Mr Caithness who each have a personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is required in respect of the issue of the Performance Rights because

the Performance Rights do not fall within any of the exceptions stipulated by Part 2E.1 Division 2 of the Corporations Act.

## 9.5 *Information required under 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 Performance Rights:

(a) **Identity of the related parties to whom Resolution 7(a) and (b) permit financial benefits to be given**

Refer to Section 9.3(a) above.

(b) **Nature of the financial benefit**

Resolution 7(a) and (b) seek Shareholder approval to allow the Company to issue the Performance Rights in the amounts specified in Section 9.1 to Ms Solomon and Mr Caithness (or their respective nominees).

The Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions as detailed in Section 9.3(g) above.

The Shares to be issued upon conversion of the Performance 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) **Board recommendations**

The Board, other than:

- (i) Ms Solomon in respect of Resolution 7(a); and
- (ii) Mr Caithness in respect of Resolution 7(b),

(each having a personal interest in the outcome of the relevant Resolution) recommends that Shareholders vote in favour of Resolution 7(a) and (b).

(d) **Valuation of financial benefit**

Refer to Section 9.3(i) above.

(e) **Remuneration of Ms Solomon and Mr Caithness**

Refer to Section 9.3(d) above.

(f) **Existing relevant interest of Ms Solomon and Mr Caithness**

At the date of this Notice, Ms Solomon and Mr Caithness hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Performance Rights	Share Rights
Ms Solomon	20,273,439	2,500,000	72,000
Mr Caithness	10,426,942	2,000,000	64,000

Assuming that Resolution 7(a) and (b) is approved by Shareholders, all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Performance Rights or Share Rights held by Ms Solomon and Mr Caithness as at the date of this Notice), the interests of Ms Solomon and Mr Caithness in the Company would (based on the Share capital as at the date of this Notice) represent:

- (i) in respect of Ms Solomon, approximately 9.07% of the Company's issued Share capital; and
- (ii) in respect of Mr Caithness, approximately 5.21% of the Company's issued Share capital.

**(g) Dilution**

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution if all of the Performance Rights vest and are exercised into Shares is 1.14%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Performance Rights.

The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 1.10% on a fully diluted basis (assuming that all other Performance Rights and Share Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

**(h) 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:** \$0.625 per Share on 7 January 2022

**Lowest:** \$0.165 per Share on 14 and 15 December 2022

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.17 per Share on 20 December 2022.

**(i) Corporate governance**

Ms Solomon is an executive director of the Company and therefore the Board (other than Ms Solomon) believe that the grant of those Performance Rights to Ms Solomon with performance-based milestones is in line with Recommendation 8.2 of the 4<sup>th</sup> Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

Mr Caithness is an executive director of the Company and therefore the Board (other than Mr Caithness) believe that the grant of those Performance Rights to Mr Caithness with performance-based milestones is in line with Recommendation 8.2 of the Recommendations.

(j) **Taxation consequences**

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

(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 7(a) and (b).

9.6 *Other information*

Each of Resolution 7(a) and (b) are ordinary resolutions.

The Board, other than:

- (a) Ms Solomon in respect of Resolution 7(a); and
- (b) Mr Caithness in respect of Resolution 7(b),

(each having a personal interest in the outcome of the relevant Resolution) recommends that Shareholders vote in favour of Resolution 7(a) and (b).

**10. Resolution 8 – Approval to issue Director Placement Shares and Director Placement Options to the Participating Directors**

10.1 *General*

The background to the proposed issue of the Director Placement Securities is in Section 3.1 above.

Resolution 8(a), (b), (c) and (d) seek Shareholder approval pursuant to Listing Rule 10.11 and section 195(4) of the Corporations Act for the issue of up to 875,000 Director Placement Shares to the Participating Directors (or their respective nominees) in the proportions set out in the table below.

Resolution 8(e), (f), (g) and (h) seek Shareholder approval pursuant to Listing Rule 10.11 and

section 195(4) of the Corporations Act for the issue of up to 875,000 Director Placement Options to the Participating Directors (or their respective nominees) in the proportions set out in the table below.

The Participating Directors have committed a total of \$175,000 under the Director and Employee Placement. The Company proposes to issue the Director Placement Securities in the following proportions:

Director	Amount committed (\$)	Number of Director Placement Shares	Number of Director Placement Options
Michael Lynch-Bell	\$50,000	250,000	250,000
Neale Fong	\$25,000	125,000	125,000
Fleta Solomon	\$50,000	250,000	250,000
Angus Caithness	\$50,000	250,000	250,000

## 10.2 *Listing Rule 10.11*

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Participating Directors are each a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement



Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Securities to the Participating Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 8(a), (b), (c), (d), (e), (f), (g) and (h) will be to allow the Company to issue the Director Placement Securities, raising \$175,000 (before costs).

If Resolution 8(a), (b), (c), (d), (e), (f), (g) and (h) are not passed, the Company will not be able to proceed with the issue of the Director Placement Securities, and will not receive the additional \$175,000 committed by the Participating Directors.

### 10.3 *Specific information required by Listing Rule 10.13*

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Securities:

- (a) The Director Placement Securities will be issued to the Participating Directors (or their respective nominees).
- (b) Each of the Participating Directors falls into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director of the Company.
- (c) A maximum of 875,000 Director Placement Shares and 875,000 Director Placement Options will be issued to the Participating Directors (or their respective nominees) in the manner and form set out in Section 10.1 above.
- (d) The:
  - (i) Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue; and
  - (ii) Director Placement Options will be exercisable at \$0.25 each and expire 18 months from the date of issue and will otherwise be subject to the terms and conditions in Schedule 2.
- (e) The Director Placement Securities will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares will be issued at \$0.20 per Share, being the same price at which the Placement Shares were issued.
- (g) The Director Placement Options will be issued as free attaching Options to the Director Placement Shares and as such nil additional cash consideration will be payable.

- (h) The proceeds from the issue of the Director Placement Shares are intended to be applied in the same manner as the proceeds from the issue of the Placement Shares (refer to Section 3.3(f) above).
- (i) The Director Placement Options are being issued as free attaching Options to the Director Placement Shares and as such no funds will be raised from their issue. The application of funds received on conversion of the Director Placement Options will depend on when the Director Placement Options are exercised and the Company's requirements at the relevant time.
- (j) The proposed issue of the Director Placement Securities is not intended to remunerate or incentivise the Participating Directors.
- (k) There are no other material terms to the proposed issue of the Director Placement Securities.
- (l) A voting exclusion statement is included in the Notice.

#### 10.4 *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 (excluding Non-Executive Director, Ms Beatriz Vicén Banzo who is not participating in the Placement) have a personal interest in the outcome of each of their respective Resolutions under Resolution 8(a), (b), (c), (d), (e), (f), (g) and (h) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Placement Securities to the Participating Directors to Shareholders to resolve upon.

#### 10.5 *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 proposed issue of the Director Placement Securities constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations

Act is not required in respect of the issue of the Director Placement Securities because the Director Placement Securities will be issued on the same terms as those Placement Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## 10.6 *Additional information*

Resolution 8(a), (b), (c), (d), (e), (f), (g) and (h) are ordinary resolutions.

The Board, other than:

- (a) Mr Lynch-Bell, in respect of Resolution 8(a) and (e);
- (b) Dr Fong, in respect of Resolution 8(b) and (f);
- (c) Ms Solomon, in respect of Resolution 8(c) and (g); and
- (d) Mr Caithness, in respect of Resolution 8(d) and (h),

(each having a personal interest in the outcome of the relevant Resolutions) recommends that Shareholders vote in favour of Resolution 8(a), (b), (c), (d), (e), (f), (g) and (h).

## 11. *Resolution 9 – Approval to issue Employee Placement Shares and Employee Placement Options to Paul Long*

### 11.1 *General*

A summary of the Director and Employee Placement is in Section 3.1 above.

Resolution 9(a) seeks Shareholder approval to issue 125,000 Employee Placement Shares to Mr Paul Long (or his nominees) under and for the purposes of Listing Rule 7.1.

Resolution 9(b) seeks Shareholder approval to issue 125,000 Employee Placement Options to Mr Paul Long (or his nominees) under and for the purposes of Listing Rule 7.1.

### 11.2 *Listing Rule 7.1*

A summary of Listing Rule 7.1 is set out in Section 3.2 above.

The proposed issue of the Employee Placement Securities does not fit within any of the exceptions to Listing Rule 7.1. While the proposed issue of the Employee Placement Securities would not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under ASX Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of the Employee Placement Securities under ASX Listing Rule 7.1 so that it does not use up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval under ASX Listing Rule 7.1

The effect of Shareholders passing Resolution 9(a) and Resolution 9(b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

The Company intends to seek an upfront Shareholder approval to issue the Employee Placement Securities.

If Resolution 9(a) and Resolution 9(b) are passed, the Company will be able to proceed with the issue of 125,000 Employee Placement Shares and 125,000 Employee Placement Options and raise up to \$25,000 (before costs). In addition, the issue of the Employee Placement Securities will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 9(a) and Resolution 9(b) are not passed, the Company will not proceed with the issue of 125,000 Employee Placement Shares and 125,000 Employee Placement Options and the Company will not receive the \$25,000 committed by Mr Paul Long in consideration for the Employee Placement Shares.

### 11.3 *Specific information required by Listing Rule 7.3*

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Employee Placement Securities:

- (e) The Employee Placement Securities will be issued to Mr Long (or his nominees), who is the chief operating officer of the Company, and is not a related party of the Company or a Material Investor.
- (f) A maximum of 250,000 Employee Placement Securities will be issued comprising:
  - (i) 125,000 Employee Placement Shares; and
  - (ii) 125,000 Employee Placement Options.
- (g) The:
  - (i) Employee Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue; and
  - (ii) Employee Placement Options will be exercisable at \$0.25 each and expire 18 months from the date of issue and will otherwise be subject to the terms and conditions in Schedule 2.
- (h) The Employee Placement Securities will be issued no later than 3 months after the date of the Meeting.

- (i) The Employee Placement Shares will be issued at \$0.20 per Share, being the same price at which the Placement Shares were issued.
- (j) The Employee Placement Options will be issued as free attaching Options to the Employee Placement Shares and as such nil additional cash consideration will be payable.
- (k) The proceeds from the issue of the Employee Placement Shares are intended to be applied in the same manner as the proceeds from the issue of the Placement Shares (refer to Section 3.3(f) above).
- (l) The Employee Placement Options are being issued as free attaching Options to the Employee Placement Shares and as such no funds will be raised from their issue. The application of funds received on conversion of the Employee Placement Options will depend on when the Employee Placement Options are exercised and the Company's requirements at the relevant time.
- (m) There are no other material terms to the proposed issue of the Employee Placement Securities.
- (n) A voting exclusion statement is included in the Notice.

#### 11.4 *Additional information*

Resolution 9(a) and Resolution 9(b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 9(a) and Resolution 9(b).

## Schedule 1 Definitions

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

<b>\$ or A\$</b>	means Australian Dollars.
<b>20 Day VWAP</b>	means the VWAP of the Shares calculated over a 20 day consecutive period in which Shares actually traded.
<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>AWST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<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>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>Director and Employee Placement</b>	has the meaning given in Section 3.1.
<b>Director Placement Options</b>	has the meaning given in Section 3.1.
<b>Director Placement Securities</b>	has the meaning given in Section 3.1.
<b>Director Placement Shares</b>	has the meaning given in Section 3.1.
<b>Employee Placement Options</b>	has the meaning given in Section 3.1.
<b>Employee Placement Securities</b>	has the meaning given in Section 3.1.
<b>Employee Placement Shares</b>	has the meaning given in Section 3.1.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Existing Plan</b>	has the meaning given in Section 6.4(c).
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.

<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>	means, in relation to the Company: <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> 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.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>New Plan</b>	has the meaning given in Section 6.1.
<b>Notice</b>	means this notice of general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Participating Directors</b>	has the meaning given in Section 3.1
<b>Performance Rights</b>	means a right to acquire a Share subject to the satisfaction of a performance based milestone.
<b>Placement</b>	has the meaning given in Section 3.1.
<b>Placement Options</b>	has the meaning given in Section 3.1.
<b>Placement Participants</b>	has the meaning given in Section 3.3(a).
<b>Placement Securities</b>	has the meaning given in Section 3.1.
<b>Placement Shares</b>	has the meaning given in Section 3.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<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, Share Rights and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Share Right</b>	means a right to acquire a Share.
<b>Shareholder</b>	means the holder of a Share.
<b>SPP</b>	has the meaning given in Section 3.1.
<b>SPP Options</b>	has the meaning given in Section 3.1.
<b>SPP Shares</b>	has the meaning given in Section 3.1.
<b>Trading Day</b>	has the meaning given in the Listing Rules.
<b>VWAP</b>	means volume weighted average market price.



## Schedule 2 Terms and Conditions of the Placement Options, SPP Options and Director and Employee Placement Options

The terms and conditions of the Options are as follows:

(a) **Entitlement**

Each Option gives the holder the right to subscribe for one Share.

(b) **Expiry Date**

The Options will expire at 5.00pm (AWST) on the date that is 18 months after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option is \$0.25 per Option.

(d) **Exercise**

A holder may exercise their Options by lodging with the Company, before the Expiry Date:

- (i) a written or electronic notice of exercise of Options, specifying at a minimum, the number of Options being exercised, the name of the registered Option holder and the quantum of funds paid to the Company in respect of the Option exercise (**Exercise Notice**); and
- (ii) an electronic funds transfer for the Exercise Price for the number of Options being exercised.

(e) **Exercise Notice**

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 Options must be exercised on each occasion.

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

Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(g) **Transferability**

The Options are not transferrable, except with prior written approval of the Company.

(h) **Ranking of Shares**

All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.

(i) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(j) **Reconstruction**

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

(k) **Participating rights**

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

(l) **Amendments**

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

## Schedule 3 Summary of material terms of New Plan

A summary of the material terms and conditions of the New Plan (**Plan**) is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).

- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:

- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
- (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (c) **(Purpose):** The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) 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.
- (d) **(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, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(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. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**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.
- (g) **(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.

- (h) **(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.

- (i) **(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, and subject to Board approval, 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 5 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.

- (j) **(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.
- (k) **(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:

- (i) 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
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(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.

- (m) **(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.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities 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.
- (o) **(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.

- (p) **(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.
- (q) **(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.

- (r) **(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.

## Schedule 4 Terms and conditions of Performance Rights

The terms and conditions of the Performance Rights are as follows:

### 1. Exercise Price, Expiry Date and Vesting Conditions

- (a) The amount payable upon exercise of each Performance Right will be nil (**Exercise Price**).
- (b) Each Performance Right will expire at 5.00pm (AWST) on the applicable date specified in the table in paragraph 1(c) (**Expiry Date**).
- (c) The vesting of each Performance Right will occur in accordance with paragraph 2, subject to the satisfaction of the applicable milestone condition (**Milestone**) occurring within the milestone period (**Milestone Period**), as specified below.

Class	Milestone	Milestone Period	Expiry Date	Number of Performance Rights	
				Fleta Solomon	Angus Caithness
Tranche 1 Class I	Company's 20-Day VWAP equalling or exceeding \$0.50	3 years from the date of issue	5 years from the date of issue	500,000	500,000
Tranche 2 Class J	Company's 20-Day VWAP equalling or exceeding \$0.60	3 years from the date of issue	5 years from the date of issue	500,000	500,000
Tranche 3 Class K	Company's 20-Day VWAP equalling or exceeding \$0.75	3 years from the date of issue	5 years from the date of issue	500,000	500,000
<b>Total</b>				<b>1,500,000</b>	<b>1,500,000</b>

### 2. Vesting

The Performance Rights vest in equal tranches subject to the satisfaction of the Milestone and the Performance Right holder remaining an employee or Director of the Company at the relevant vesting date (unless the Board resolves otherwise), as follows:

- (a) one third upon the satisfaction of the relevant Milestone;
- (b) one third upon the date that is 12 months after the date the relevant Milestone is satisfied; and
- (c) one third upon the date that is 24 months after the date the relevant Milestone is satisfied.



The Company will notify the holder in writing within 14 days of becoming aware that a Performance Right has vested.

3. **Conversion**

Upon vesting, each Performance Right will, at the holder's election, convert into one Share free of encumbrances. The holder must apply to exercise Performance Rights upon or after vesting but prior to the Expiry Date by filling out a notice of exercise form (**Notice of Exercise**).

4. **Expiry Date**

The Performance Rights will automatically expire on the Expiry Date.

For the avoidance of doubt any vested but unexercised Performance Rights will automatically expire on the Expiry Date.

5. **Transfer**

The Performance Rights are not transferable.

6. **Participation in entitlements and bonus issues**

Subject always to the rights under paragraphs 7 and 8, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

7. **Adjustment for bonus issue**

If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which holders of Performance Rights are entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the Listing Rules at the time of the bonus issue.

8. **Reorganisation of capital**

In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules and Corporations Act at the time of reorganisation provided that, subject to compliance with the Listing Rules and Corporations Act, following such reorganisation the holder's economic and other rights are not diminished or terminated.

9. **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote or receive dividends.

**10. Return of capital rights**

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**11. Rights on winding up**

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

**12. Change in control**

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (i) having received acceptances for not less than 50.1% of the Company's shares on issue; and
  - (ii) having been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then:

- (c) any unvested Performance Rights will automatically vest; and
- (d) to the extent Performance Rights have not been converted into Shares following satisfaction of the Performance Rights Milestone, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

**13. Issue of Shares**

The Shares to which the holder is entitled on exercise of the Performance Right will be issued, free of encumbrances, to the holder within 10 Business days of the date of the exercise of notice in respect of the relevant Performance Right. All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares. For the avoidance of doubt, the holder will, from and including the issue date of any Shares, be the legal owner of the Shares and will be entitled to dividends and to exercise voting rights attached to the Shares. The Company will bear all costs and expenses associated with the issue of Shares in accordance pursuant to these terms and conditions.

**14. Quotation**

The Performance Rights will not be quoted.

15. **Quotation of Shares on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Performance Rights in accordance with the Listing Rules.

16. **Timing of issue of Shares**

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- (a) issue, allocate or cause to be transferred to the holder (or its nominees) the number of Shares to which the holder (or its nominees) is entitled;
- (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder (or its nominees); and
- (c) if required and subject to paragraph 17, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.

17. **Restrictions on transfer of Shares**

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance 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.

18. **Variation to terms and conditions**

The Directors may change the terms of the Performance Rights within reason where a variation is required to comply with the Corporations Act or the Listing Rules.

## Schedule 5 Valuation of Performance Rights

The valuation of the Performance Rights is as follows .

Valuation	Tranche 1 Class I	Tranche 2 Class J	Tranche 3 Class K	Total
Number	1,000,000	1,000,000	1,000,000	3,000,000
Value per Performance Right	\$0.18	\$0.18	\$0.18	N/A
<b>Value</b>	<b>\$123,800</b>	<b>\$112,400</b>	<b>\$98,300</b>	<b>\$334,500</b>

The following assumptions were used to value the Performance Rights.

Assumptions	Tranche 1 Class I	Tranche 2 Class J	Tranche 3 Class K
Valuation Date	13 December 2022	13 December 2022	13 December 2022
Spot Price	\$0.18	\$0.18	\$0.18
Exercise Price	Nil	Nil	Nil
Vesting Date	13 December 2025	13 December 2025	13 December 2025
Barrier Price	\$0.50	\$0.60	\$0.75
Expiry Date	13 December 2027	13 December 2027	13 December 2027
Expected Future Volatility	80%	80%	80%
Risk Free Rate	3.18%	3.18%	3.18%
Dividend Yield	Nil	Nil	Nil