



ROTOGRO

ROTO-GRO INTERNATIONAL LIMITED
ABN 84 606 066 059

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
19 July 2021

Time of Meeting:
9:00 am (AEST)

Place of Meeting: **to be held virtually via webcast**

Due to the ongoing COVID-19 pandemic, the General Meeting will be held via an audioconferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting.

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

The Australian Securities and Investments Commission (ASIC) has adopted a “no-action” position in relation to the convening and holding of virtual meetings. The position follows on from the Corporations (Coronavirus Economic Response) Determination (No.3) 2021 which expired on 31 March 2021. ASIC’s “no-action” position facilitates (among other things) the electronic dispatch of notices of meetings. Accordingly, no hard copy of the Notice of General Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company’s website - <https://www.rotogro.com>

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

ROTO-GRO INTERNATIONAL LIMITED

ABN 84 606 066 059

Registered office: Level 5, 126 Phillip Street, Sydney NSW 2000

Notice is hereby given that a General Meeting of shareholders of Roto-Gro International Limited (the "Company" or "Roto-Gro") will be held virtually via a webinar conferencing facility at 9:00am (AEST) on 19 July 2021 ("General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice of Meeting (**Notice**), include defined terms and describe in more detail the matters to be considered. Please consider this Notice in its entirety.

ORDINARY BUSINESS:

Resolution 1 – Approval to Issue Options to Institutional and Sophisticated Investors

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

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, shareholders approve the issue of up to 26,666,667 Options (exercisable at \$0.06 on or before 31 December 2023) attached to the fully paid ordinary shares issued on 2 March 2021 to institutional and sophisticated investors, under the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), which includes entities associated with Peak Asset Management being 10 Bolivianos Pty Ltd and Freedom Trader Pty Ltd; or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Ratification of Prior Issue of Shares under Listing Rule 7.1

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

"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment, made on 2 March 2021, of 17,367,785 fully paid ordinary shares in the Company, at an issue price of \$0.05 (5.0 cents) per share, to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any person who participated in the issue, which includes entities associated with Peak Asset Management being 10 Bolivianos Pty Ltd and Freedom Trader Pty Ltd; or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Ratification of Prior Issue of Shares under Listing Rule 7.1A

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

“That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment, made on 2 March 2021, of 22,632,215 fully paid ordinary shares in the Company, at an issue price of \$0.05 (5.0 cents) per share, to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any person who participated in the issue, which includes entities associated with Peak Asset Management being 10 Bolivianos Pty Ltd and Freedom Trader Pty Ltd; or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Issue of Broker Options

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,000,000 Options (exercisable at \$0.06 on or before 31 December 2023) to Peak Asset Management or their nominees on the terms set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- Peak Asset Management (or their nominee) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:

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

Resolution 5 – Ratification of Prior Issue of Shares under Listing Rule 7.1

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

“That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment, made on 8 December 2020, of 1,147,840 fully paid ordinary shares in the Company, at a deemed issue price of \$0.04 (4.0 cents) per share, to Peak Asset Management or their nominees on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- Peak Asset Management (or their nominee) who participated in the issue; or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Ratification of Prior Issue of Shares under Listing Rule 7.1

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

“That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the issue and allotment, made on 31 May 2021, of 12,265,622 fully paid ordinary shares in the Company, at a deemed issue price of \$0.05 (5.0 cents) per share, to the former Chief Executive Officer of the Company, Mr Adam Clode, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- Mr Adam Clode (or his nominee) who participated in the issue; or
- an associate of that person or those persons.

However, this does not apply to votes cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

DATED this 18 June 2021.

By the order of the Board

Andrew Palfreyman
Company Secretary

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
 - h. To be effective, Proxy Forms must be received by the Company's share registry Computershare Investor Services Pty Ltd no later than 48 hours before the commencement of the General Meeting, i.e. no later than 17 July 2021 at 9:00 am (AEST). Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the General Meeting will vote undirected proxies in favour of all of the proposed resolutions.

6. Voting Exclusion Statement

A voting exclusion statement for each resolution is included in the Notice.

7. COVID-19 General Meeting Protocols

The health and safety of the Company's shareholders, personnel, and other stakeholders are the Company's highest priority, and the Company is acutely aware of the current circumstances arising from the COVID-19 pandemic. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and, in any event, prior to the deadline for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the General Meeting virtually will have an opportunity to ask questions. The General Meeting will be conducted using Zoom webinar. Shareholders who intend to join the General Meeting are asked to dial-in 30 minutes prior to the start of the meeting. You may attend the General Meeting virtually using the following information:

When: Monday, 19 July 2021 at 9:00 am (AEST)

Topic: RGI General Meeting

Register in advance for the virtual General Meeting

https://us02web.zoom.us/webinar/register/WN_8DaoRnlvQkuYasqutg44yQ

After registering, you will receive an email confirming your attendance at the General Meeting. The Company strongly recommends that its shareholders lodge a directed proxy as soon as possible prior to the meeting even if they plan to attend the meeting online. The Company will accept and endeavour to respond to questions submitted prior to the meeting by email to andrew.palfreyman@automicgroup.com.au. If a written question is posed regarding the Company's key management personnel or a resolution tabled at the General Meeting, the Company will endeavour to address the relevant question during the meeting or after the meeting in writing (although the Company will be under no obligation to respond to unreasonable and/or offensive questions). If the situation in relation to the COVID-19 pandemic impacts the General Meeting, the Company will provide a further update prior to the General Meeting by releasing an announcement to the ASX.

Therefore, any shareholder who wishes to attend the General Meeting online should monitor the Company's website and its ASX announcements for updates regarding the General Meeting. If it becomes necessary or appropriate to make alternative arrangements for the General Meeting, the Company will make further information available through the ASX website at www.asx.com.au (ASX: RGI) and on its website at <https://www.rotogro.com/investors/>.

EXPLANATORY STATEMENT

Resolution 1: Approval to Issue Options to Institutional and Sophisticated Investors

Background

As part of the Company's Capital Raising announced to the market on 24 February 2021, the Company agreed, subject to any required shareholder approval, to issue 26,666,667 Options (exercisable at \$0.06 on or before 31 December 2023) (**Placement Options**) attached to the Placement Shares on a 2 for 3 basis.

The Company intends to seek quotation of the Placement Options provided that the class of Options meets the ASX threshold of at least 50 individual holders with a marketable parcel of those securities. For the purposes of Listing Rule 2.5 (Condition 6), the Company confirms the following:

- (a) the number of Placement Options proposed to be issued is greater than 100,000; and
- (b) a minimum of 50 holders will be issued a marketable parcel of Placement Options, due to the total moneys payable on their exercise will be not less than \$500.

ASX Listing Rule 7.1

As noted above, the Company has entered into an agreement to issue the Options (**the Issue**).

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

The Issue does not fall within any of the relevant exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

Resolution 1 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to proceed with the Issue and will issue the Options to participants in the Capital Raising. In addition, the Issue will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company would not be able to proceed with the Issue in accordance with the proposed resolution and would not issue the Options to participants in the Capital Raising in accordance with the proposed resolution.

Information required by Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) Up to 26,666,667 Placement Options will be issued to the recipients of Placement Shares on the basis of two (2) Options for every three (3) Shares subscribed for as part of the Placement, rounded down to the nearest whole number as required.
- (b) The Placement Options will be issued to a range of sophisticated and professional investors, which includes two entities associated with a principal of Peak Asset Management, being 10 Bolivianos Pty Ltd and Freedom Trader Pty Ltd.
- (c) The securities issued in this Placement were not issued under an agreement.
- (d) A summary of the material terms of the Placement Options, including the exercise price of \$0.06 per Placement Option, has been provided under **Annexure A**. The Placement Options are intended to be quoted on the ASX, subject to approval by the ASX.
- (e) The Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date as the Meeting or so soon after as is practicable.

- (f) The Placement Options are being issued as free-attaching Options (on a two (2) free attaching Options for every three (3) Shares issued) to the Placement and will therefore be issued for nil consideration. Therefore, no funds will be raised under the issue of the Placement Options. In the event that all these Options are exercised, the Company will receive up to \$1,600,000 which the Company intends to apply towards the roll-out of its perishable food division and, in particular, vertical farming across USA and North America.
- (g) A voting exclusion statement is included in the Notice.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Resolutions 2 and 3: Ratification of Prior Issue of Shares under Listing Rules 7.1 and 7.1A

Background

The Company is seeking shareholder approval to ratify the issue made on 2 March 2021 of 40,000,000 fully paid ordinary shares at \$0.05 each for a total of \$2,000,000 to institutional and sophisticated investors (**Placement Shares**), in accordance with the Company's ASX announcements dated 24 February 2021 and 3 March 2021. The Placement was made to strengthen the Company's balance sheet to drive the roll-out of its perishable food division and in particular, vertical farming across USA and North America. Peak Asset Management (**Peak**) was the lead manager for the placement and Peak will receive a fee of 6% of the total funds raised (being \$120,000) and 6,000,000 options on the same terms as the placement (subject to shareholder approval at this meeting).

ASX Listing Rule 7.1 allows the board of an ASX listed company to issue up to 15% of the company's issued capital in any 12-month period without Shareholder approval.

Listing Rule 7.1A allows the board of an ASX listed company to seek Shareholder approval by special resolution passed at an Annual General Meeting in advance, that would provide the Company with the placement capacity to issue up to 10% (in addition to the 15% Placement Capacity already afforded to the company under Listing Rule 7.1) of the company's issued capital in a 12-month period.

The Company obtained Shareholder approval at the 2020 Annual General Meeting held on 30 November 2020 for the additional 10% Additional Placement Capacity pursuant to Listing Rule 7.1A.

Listing Rule 7.4 provides that where a company in a general meeting ratifies previous issues of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issues did not breach the Listing Rules), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rules 7.1 and 7.1A and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under those rules.

On 2 March 2021, the Company issued 40,000,000 fully paid ordinary shares at \$0.05 each to institutional and sophisticated investors within the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future and thus Resolutions 2 and 3 propose, for the purposes of Listing Rule 7.4, that Shareholders of the Company approve and ratify the issue of the Placement Shares which were issued under the Company's existing capacities, being:

- a) 17,367,785 shares under Listing Rule 7.1, and
- b) 22,632,215 shares under Listing Rule 7.1A.

The effect of approval of Resolutions 2 and 3 is to allow the Board of the Company to rely on Listing Rule 7.4, and in effect, reset the placement capacity under Listing Rule 7.1 and 7.1A, insofar as it relates to the issue of 40,000,000 Placement Shares, which will allow the Company to issue additional Shares utilising its full placement capacity under Listing Rule 7.1 and 7.1A after the Resolutions are adopted, instead of having to wait until 12 months after the issue.

If this Resolution is not approved, the prior issue of the 40,000,000 Placement Shares under the Placement will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore have the 40,000,000 of the Placement Shares as issued from both its 15% and 10%

facility for the purposes of ASX Listing Rules 7.1 and 7.1A. This will limit the Company's future placement capacity under the Listing Rules 7.1 and 7.1A.

Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Placement Shares were issued to a range of institutional and sophisticated investors, including two entities associated with a principal of Peak Asset Management, being 10 Bolivianos Pty Ltd and Freedom Trader Pty Ltd.
- (b) The securities issued in this Placement were not issued under an agreement.
- (c) The number and class of the securities issued was:
 - a. 17,367,785 Placement Shares under ASX Listing Rule 7.1 (**Resolution 2**); and
 - b. 22,632,215 Placement Shares under ASX Listing Rule 7.1A (**Resolution 3**),
- (d) The Placement Shares were fully paid on issue and ranked equally in all respects with all existing fully paid ordinary shares issued previously by the Company.
- (e) The Placement Shares were issued on 2 March 2021.
- (f) The Placement Shares were issued at an issue price of \$0.05 (5.0 cents) per Share.
- (g) Funds raised from the Placement are being used for driving the roll-out of its perishable food division and, in particular, vertical farming across USA and North America.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 2 and 3. The Chair of the Meeting intends to vote undirected proxies in favour of these Resolutions.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Resolution 4: Issue of Broker options

Background

As part of the Company's Capital Raising announced to the market on 24 February 2021, the Company agreed, subject to any required shareholder approval, to issue 6,000,000 Options (exercisable at \$0.06 and expiring 31 December 2023) (**Broker Options**) to the following party for broker and investor relations services rendered in February and March 2021 in relation to the facilitation of the Placement Offer.

Person(s)	Number of Options
Peak Asset Management Limited (Peak)	6,000,000

ASX Listing Rule 7.1

As noted above, the Company has entered into an agreement to issue the Broker Options (**the Issue**).

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

The Issue does not fall within any of the relevant exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

This Resolution seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the Issue and will issue the Broker Options to Peak (or its nominees). In addition, the Issue will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company would not be able to proceed with the Issue in accordance with the proposed resolution and would not issue the Broker Options to Peak (or its nominees) in accordance with the proposed resolution.

Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The Options will be issued to Peak Asset Management Limited, or its nominee(s).
- (b) The number and class of securities to be issued is 6,000,000 Options.
- (c) A summary of the material terms of the Broker Options, which includes an exercise price of \$0.06 per Broker Option, has been provided under **Annexure A**, as they are to be issued on the same terms as the Placement Options. The Broker Options are intended to be quoted on the ASX, subject to approval by the ASX.
- (d) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date.
- (e) The Options will be issued in consideration for services provided in conjunction with broker and investor relations services rendered in February and March 2021 in relation to the facilitation of the Placement Offer.
- (f) In the event that all of the Broker Options are exercised, the Company will receive up to \$360,000 which the Company intends to apply towards the roll-out of its perishable food division and, in particular, vertical farming across USA and North America.
- (g) The Broker Options are to be issued under an agreement between the Company and Peak, the material terms of which are:
 - i. Peak would act as lead manager for the Placement and provide broker and investment relations services in relation to the Placement;
 - ii. Peak's fees for those services would comprise a fee equal to 6% of the total funds raised, a total of \$120,000 under the Placement and, subject to shareholder approval, the 6,000,000 Broker Options.

There are no other material terms requiring disclosure.

- (h) A voting exclusion statement is included in the Notice.

Directors Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 5: Ratification of Prior Issue of Shares under Listing Rule 7.1

Background

As announced by the Company on 24 November 2020, the Company received firm commitments from professional and sophisticated investors to raise \$1.53 million via the issue of 38,261,350 fully paid ordinary shares (**Shares**) at an issue price of \$0.04 per Share (**2020 Placement**). The 2020 Placement was made to strengthen the Company's balance sheet to drive the roll-out of its perishable food division and in particular, vertical farming across USA and North America.

Peak Asset Management (**Peak**) was the lead manager for the 2020 Placement and agreed a fee of 6% of the total funds raised which equated to \$91,800 (**Fee**) and, subject to shareholder approval which was obtained at a general meeting of shareholders held on 18 February 2021, the issue of 6,000,000 listed options with an exercise price of \$0.05 and expiry date of 31 December 2023.

On 8 December 2020, the Company issued 1,147,840 fully paid ordinary shares (**Shares**) to Peak at a deemed issue price of \$0.04 per Share in part settlement of the Fee. The remainder owing in relation to the Fee was paid in cash. All of the Shares that are the subject of this resolution were issued by utilising the Company's existing capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 allows the board of an ASX listed company to issue up to 15% of the company's issued capital in any 12-month period without Shareholder approval.

Listing Rule 7.4 provides that where a company in a general meeting ratifies previous issues of securities made pursuant to Listing Rule 7.1 (and provided that the previous issues did not breach the Listing Rules), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future and thus Resolution 5 proposes, for the purposes of Listing Rule 7.4, that Shareholders of the Company approve and ratify the issue of the Shares which were issued under the Company's existing capacities, being 1,147,840 Shares under Listing Rule 7.1.

The effect of approval of Resolution 5 is to allow the Board of the Company to rely on Listing Rule 7.4, and in effect, reset the placement capacity under Listing Rule 7.1, insofar as it relates to the issue of 1,147,840 Shares to Peak, which will allow the Company to issue additional Shares utilising its full placement capacity under Listing Rule 7.1 after the Resolution is adopted, instead of having to wait until 12 months after the issue.

If this Resolution is not approved, the prior issue of the 1,147,840 Shares to Peak will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 1,147,840 Shares as issued from its 15% facility for the purposes of ASX Listing Rule 7.1. This will limit the Company's future placement capacity under the Listing Rules 7.1.

Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Shares were issued to Peak (or its nominee).
- (b) The Company issued 1,147,840 Shares under Listing Rule 7.1.
- (c) The Shares were fully paid on issue and ranked equally in all respects with all existing fully paid ordinary shares issued previously by the Company.
- (d) The Shares were issued on 8 December 2020.
- (e) The Shares were issued at a deemed issue price of \$0.04 (4.0 cents) per Share.
- (f) The Shares were issued under an agreement between the Company and Peak, the material terms of which are:
 - i. Peak would act as lead manager for the 2020 Placement and provide broker and investment relations services in relation to the 2020 Placement;
 - ii. Peak's fees for those services would comprise a fee equal to 6% of the total funds raised, a total of \$91,800 under the 2020 Placement and, subject to shareholder approval, the 6,000,000 options with an exercise price of \$0.05 and expiry date of 31 December 2023.

There are no other material terms requiring disclosure.

- (g) Funds were not raised from the issue of the Shares as the issue was made to Peak as part consideration for broking services pursuant to the 2020 Placement.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Resolution 6: Ratification of Prior Issue of Shares under Listing Rule 7.1

Background

As announced on 18 May 2021, and pursuant to an agreement of the same date, the Company proposed to issue 12,265,622 fully paid ordinary shares (**Shares**) at a deemed issue price of \$0.05 per Share in full and final satisfaction of all outstanding entitlements owed to the former chief executive officer of the Company, Mr Adam Clode (**CEO Shares**). The CEO Shares are subject to voluntary escrow for a period of 6 months from their date of issue. Mr Clode is not a related party of the Company.

On 1 July 2019, the Company announced the appointment of Mr Clode to the role of Chief Executive Officer. Previously, he performed the role of General Manager and had been involved with the Company since its inception in 2015. On 25 January 2021, the Company announced that Mr Michael Di Tommaso had been appointed the new CEO of Roto-Gro and that Mr Clode would receive all entitlements under the terms of his employment agreement and that his contractual share options and performance rights would be cancelled. The Company and Mr Clode agreed to settle all outstanding entitlements under his employee agreement by way of Shares.

On 31 May 2021, the Company issued 12,265,622 Shares to Mr Clode (or his nominee) at a deemed issue price of \$0.05 per Share in full and final satisfaction of all outstanding entitlements owed to him. All of the Shares were issued by utilising the Company's existing capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 allows the board of an ASX listed company to issue up to 15% of the company's issued capital in any 12-month period without Shareholder approval.

Listing Rule 7.4 provides that where a company in a general meeting ratifies previous issues of securities made pursuant to Listing Rule 7.1 (and provided that the previous issues did not breach the Listing Rules), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future and thus Resolution 6 proposes, for the purposes of Listing Rule 7.4, that Shareholders of the Company approve and ratify the issue of the Shares which were issued under the Company's existing capacities, being 12,265,622 Shares under Listing Rule 7.1.

The effect of approval of Resolution 6 is to allow the Board of the Company to rely on Listing Rule 7.4, and in effect, reset the placement capacity under Listing Rule 7.1, insofar as it relates to the issue of 12,265,622 Shares to Mr Adam Clode (or his nominee), which will allow the Company to issue additional Shares utilising its full placement capacity under Listing Rule 7.1 after the Resolution is adopted, instead of having to wait until 12 months after the issue.

If this Resolution is not approved, the prior issue of the 12,265,622 Shares to Mr Clode (or his nominee) will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 12,265,622 Shares as issued from its 15% facility for the purposes of ASX Listing Rule 7.1. This will limit the Company's future placement capacity under the Listing Rules 7.1.

Information required by Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Shares were issued to Mr Adam Clode (or his nominee).
- (b) The Company issued 12,265,622 Shares under Listing Rule 7.1.
- (c) The Shares were fully paid on issue and ranked equally in all respects with all existing fully paid ordinary shares issued previously by the Company.
- (d) The CEO Shares were issued on 31 May 2021.
- (e) The CEO Shares were issued at a deemed issue price of \$0.05 (5.0 cents) per Share.
- (f) The CEO Shares are subject to voluntary escrow for a period of 6 months from the date of issue.
- (g) The CEO Shares were issued pursuant to an agreement between the Company and Mr Adam Clode dated 18 May 2021. Aside from the agreement to issue the CEO Shares and the escrow period of 6 months, there are no other material terms of the agreement that require disclosure.
- (h) Funds were not raised from the issue of the CEO Shares as the issue was made to Mr Clode in full and final satisfaction of all outstanding entitlements owed to him. The outstanding entitlements owed to Mr Clode included business-related travel expenses, holiday accrual, a 6-month salary reduction as well as base salary.

The outstanding entitlements were accrued over a period commencing 2017 up to the cessation of his employment with the Company.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

A voting exclusion statement is included in the Notice.

GLOSSARY

The following terms have the following meanings in the Notice and in this Explanatory Statement:

“\$” or “AU\$” or “AUD” means Australian Dollars;

“AEST” means Australian Eastern Standard Time.

“Board” means the Directors acting as the board of Directors of the Company or a committee appointed by such Board of Directors;

“C\$” or “CAD” means Canadian dollars;

“Chair” means the person appointed to chair the Meeting of the Company convened by the Notice;

“Company” or “Roto-Gro” means Roto-Gro International Limited ACN 606 066 059;

“Corporations Act” means the *Corporations Act 2001* (Cth);

“Director” means a Director of the Company;

“Explanatory Statement” means the explanatory statement which forms part of this Notice;

“General Meeting” or “Meeting” has the meaning given in the introductory paragraph of the Notice;

“Listing Rules” means the Listing Rules of the ASX;

“Notice” means this Notice of Meeting including the Explanatory Statement;

“Option” means an option entitling the holder, upon exercise, to subscribe for one fully paid ordinary share in the capital of the Company;

“Placement” means the issue of 40,000,000 Shares at an issue price of \$0.05 (5 cents) each to institutional and sophisticated investors made on 2 March 2021.

“Placement Options” means the Options (exercisable at \$0.06 on or before 31 December 2023) attaching to the Placement Shares on a 2 for 3 basis and the subject of Resolution 1, the complete terms of which are provided in Annexure A;

“Placement Shares” means the 40,000,000 Shares issued under the Placement and the subject of Resolutions 2 and 3;

“Proxy Form” means the proxy form attached to the Notice;

“Resolution” means a resolution referred to in the Notice;

“Share” means a fully paid ordinary share in the capital of the Company;

“Shareholder” means shareholder of the Company;

ANNEXURE A – TERMS OF PLACEMENT OPTIONS

The terms of the Placement Options are as follows:

(a) Entitlement

Each Placement Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise.

(b) Exercise Price and Expiry Date

The Placement Options have an exercise price of \$0.06 per Placement Option (**Exercise Price**) and an expiry date of 5:00pm (AEDT) on the date that is 31 December 2023 (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Period

The Placement Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(d) Quotation of the Placement Options

The Company will apply to the ASX for official quotation of the Placement Options. The Company gives no assurance that such quotation will be granted.

(e) Transferability of the Placement Options

The Placement Options are freely transferable once quoted on the ASX.

(f) Notice of Exercise

Each Placement Option is exercisable by the Placement Option holder signing and delivering a notice of exercise of Placement Option/s together with the exercise price in full for each Share to be issued upon exercise of each Placement Option to the Company's share registry.

(g) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Placement Options with the appropriate remittance should be lodged at the Company's Registry.

(h) Shares Issued on Exercise

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

(i) Quotation and timing of Issue of Shares

Within 5 business days after receiving a Notice of Exercise, the Company will:

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

(j) Participation in New Issues

There are no participation rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Placement Option will be increased by the number of Shares which the Placement Option holder would have received if the Placement Option holder had exercised the Placement Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 12 will apply) there will be no adjustment of the Exercise Price of a Placement Option or the number of Shares over which the Placement Options are exercisable.

(m) Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Placement Option holders will be varied in accordance with the Listing Rules.



RGI

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00 AM (AEST) Saturday, 17 July 2021.**

Roto-Gro International Limited General Meeting

We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The General Meeting of Roto-Gro International Limited will be a virtual meeting, which will be conducted online on Monday, 19 July 2021 at 9:00 AM (AEST).

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

Webcast and Questions

The Meeting will be held via a webinar conferencing facility. You are invited to register in advance for the meeting through https://us02web.zoom.us/webinar/register/WN_8DaoRnlvQkuYasqutg44yQ

Voting

To vote online during the meeting you will need to visit web.lumiagm.com/395984805 on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/onlinevotingguide>

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com





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



RGI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

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

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00 AM (AEST) on Saturday, 17 July 2021.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

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



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

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Roto-Gro International Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Roto-Gro International Limited to be held as a virtual meeting on Monday, 19 July 2021 at 9:00 AM (AEST) and at any adjournment or postponement of that meeting.

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

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 6 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Approval to Issue Options to Institutional and Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Prior Issue of 17,367,785 Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Prior Issue of 22,632,215 Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Prior Issue of 1,147,840 Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of Prior Issue of 12,265,622 Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

RG I

2 7 6 3 3 6 A



Computershare

