



ROTOGRO

**ROTO-GRO INTERNATIONAL LIMITED**  
**ABN 84 606 066 059**

# **Notice of General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Thursday 18 February 2021**

Time of Meeting:  
**11:30am (Melbourne time)**

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.*

*Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2021, 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 4, 100 Albert Road, South Melbourne, VIC 3205

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 11:30am (Melbourne time) on Thursday 18 February 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, the Explanatory Statement, and the Proxy Form in their entirety.

### ORDINARY BUSINESS:

#### Resolution 1 – Ratification of Prior Issue of Shares

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 30 November 2020, of 22,360,309 fully paid ordinary shares in the Company, at an issue price of \$0.04 (4.0 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; 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

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 30 November 2020, of 15,901,041 fully paid ordinary shares in the Company, at an issue price of \$0.04 (4.0 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; 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 – 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 25,507,567 Options (exercisable at \$0.05 on or before 2 years from issue) attached to the fully paid ordinary shares issued on 30 November 2020 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); 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 \$0.05 on or before 31 December 2023) to Brokers 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:

- any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the 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.

DATED this 20 January 2021 at Melbourne.

By the order of the Board



**Melanie Leydin**  
**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 16 February 2021 at 11L30am (Melbourne time). 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 Chairman will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chairman 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: Thursday, 18 February 2021 at 11:30am (Melbourne time)

Topic: RGI General Meeting

Register in advance for the virtual General Meeting:

[https://us02web.zoom.us/webinar/register/WN\\_TvalmW4WSFWEgXIMBQz1Q](https://us02web.zoom.us/webinar/register/WN_TvalmW4WSFWEgXIMBQz1Q)

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 [info@rotogro.com](mailto:info@rotogro.com). 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](http://www.asx.com.au) (ASX: RGI) and on its website at <https://www.rotogro.com/investors/>.

## EXPLANATORY STATEMENT

### **Resolution 1: Ratification of Prior Issue of Shares**

#### ***Background***

The Company is seeking shareholder approval to ratify the issue made on 30 November 2020 of 22,360,309 fully paid ordinary shares at \$0.04 each for a total of \$894,412 to institutional and sophisticated investors (**Placement Shares**), in accordance with the Company's ASX announcements dated 24 and 30 November 2020. 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 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 Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Placement Shares was within the Company's available placement capacity under ASX Listing Rule 7.1.

The issue of the Placement Shares was made under the Company's Listing Rule 7.1 capacity in the following amount:

- (a) 22,360,309 Shares were issued under the Company's Listing Rule 7.1 capacity;

On 30 November 2020, the Company issued 22,360,309 fully paid ordinary shares at \$0.04 each to institutional and sophisticated investors.

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

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12-month period following the Issue Date.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks shareholder approval to the issue under and for the purposes of Listing Rule 7.4.

If this Resolution is approved, the prior issue of the 38,261,350 Placement Shares under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities without the Placement Shares the subject of Resolution 1 counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution is not approved, the prior issue of the 22,360,309 Placement Shares under the Placement 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 22,360,309 of the Placement Shares as remaining as issued from its 15% facility for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 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 Placement Shares were issued to institutional and sophisticated investors; The Placement Shares were not issued to related parties, key management personnel, a substantial holder in the Company, an adviser to the Company or associates of any of the above.

- (b) The securities issued in this Placement were not issued under an Agreement.
- (c) The number and class of the securities issued was 22,360,309 fully paid ordinary shares in the Company,
- (d) The Placement Shares were issued on 30 November 2020:
- (e) The Placement Shares were issued at an issue price of \$0.04 (4.0 cents) per Share.
- (f) 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. The \$894,412 received from the proceeds of issue of shares were used as follows and the remaining balance at 31 December 2020 stood at \$751,796.

Use of funds	Amount*
General Operating Expenses	(~A\$142,616)

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

The Board recommends that Shareholders vote in favour of Resolution 1. The Chairman 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 2: Ratification of Prior Issue of Shares**

#### ***Background***

The Company is seeking shareholder approval to ratify the issue made on 30 November 2020 of 15,901,041 fully paid ordinary shares at \$0.04 each for a total of \$636,042 to institutional and sophisticated investors (**Placement Shares**), in accordance with the Company's ASX announcements dated 24 and 30 November 2020. 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 and 6,000,000 options on the same terms as the placement (subject to shareholder approval at this meeting).

ASX Listing Rule 7.1A allows the Company to issue new securities up to 10% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of Shares was within the Company's available placement capacity under ASX Listing Rule 7.1A.

The issue of the Placement Shares was made under the Company's Listing Rule 7.1A capacity in the following amount:

- (a) 15,901,041 Shares were issued under the Company's Listing Rule 7.1A capacity.

On 30 November 2020, the Company issued 15,901,041 fully paid ordinary shares at \$0.04 each to institutional and sophisticated investors.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1A limits the amount of equity securities that a listed Company can issue without the approval of its shareholders over any 12-month period to 10% of the fully paid ordinary securities it had on issue at the start of that period.

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1A for the 12-month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed Company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1A 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 without

having to obtain shareholder approval for such issues under Listing Rule 7.1A.

To this end, Resolution 2 seeks shareholder approval to the issue under and for the purposes of Listing Rule 7.4.

If this Resolution is approved, the prior issue of the 15,901,041 Placement Shares under the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1A. The Company will therefore be able to issue additional equity securities without the Placement Shares the subject of Resolution 2 counting towards the 10% facility limit for the purposes of ASX Listing Rule 7.1A.

If this Resolution is not approved, the prior issue of the 15,901,041 Placement Shares under the Placement will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1A. The Company will therefore have the 15,901,041 of the Placement Shares as issued from its 10% facility for the purposes of ASX Listing Rule 7.1A. This will limit the Company's placement capacity under the Listing Rule 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 institutional and sophisticated investors; The Placement Shares were not issued to related parties, key management personnel, a substantial holder in the Company, an adviser to the Company or associates of any of the above.
- (b) The securities issued in this Placement were not issued under an Agreement.
- (c) The number and class of the securities issued was 15,901,041 fully paid ordinary shares in the Company,
- (d) The Placement Shares were issued on 30 November 2020:
- (e) The Placement Shares were issued at an issue price of \$0.04 (4.0 cents) per Share.
- (f) 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. The \$636,042 received from the proceeds of issue of shares were used as follows and the remaining balance at 31 December 2020 stood at \$636,042.

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

The Board recommends that Shareholders vote in favour of Resolution 2. The Chairman 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 3: Approval to Issue Options to Institutional and Sophisticated Investors**

### ***Background***

As part of the Company's Capital Raising announced to the market on 24 November 2020, the Company agreed, subject to any required shareholder approval, to issue 25,507,567 Options (exercisable at \$0.05 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.

### ***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 3 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 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 3 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 25,507,567 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 securities issued in this Placement were not issued under an Agreement.
- (c) A summary of the material terms of the Placement Options has been provided under **Annexure A**. The Placement Options are intended to be quoted on the ASX, subject to approval by the ASX.
- (d) 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.
- (e) The Placement Options are being issued as free-attaching Options (on a two (2) free attaching Option 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 \$1,275,378 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.
- (f) A voting exclusion statement is included in the Notice.

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. The Chairman 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 4: Issue of Broker options**

#### **Background**

As part of the Company's Capital Raising announced to the market on 24 November 2020, the Company agreed, subject to any required shareholder approval, issue 6,000,000 Options (exercisable at \$0.05 and expiring 31 December 2023) (**Broker Options**) to the following party for broker and investor relations services rendered in October and November 2020 in relation to the facilitation of the Placement Offer.

<b>Person(s)</b>	<b>Number of Options</b>
Peak Asset Management Limited ( <b>Peak</b> )	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.

Resolution 4 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 4 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 Resolution 4 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 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 October and November 2020 in relation to the facilitation of the Placement Offer.
- (f) No funds will be raised under the issue.
- (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 \$91,827.24, under the Placement and, subject to shareholder approval, the 6,000,000 Broker Options.
- (h) A voting exclusion statement is included in the Notice.

### ***Directors Recommendation***

The Board unanimously recommends that Shareholders vote in favour of Resolution 4, as this will allow the Company to comply with its obligations under its mandates with all the brokers and it will also allow the Company to issue further securities without Shareholder approval.

## GLOSSARY

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

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

“AEDT” means Australian Eastern Daylight Standard Time.

“Announcement” means the Company’s ASX announcement of 24 November 2020 in relation to the Agreements;

“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;

“Chairman” 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 22,360,309 and 15,901,041 Shares at an issue price of \$0.04 (4 cents) each to institutional and sophisticated investors made on 30 November 2020.

“Placement Options” means the Options (exercisable at \$0.05 on or before 31 December 2023) attaching to the Placement Shares on a 2 for 3 basis and the subject of Resolution 3, the complete terms of which are provided in Annexure A;

“Placement Shares” means the 22,360,309 and 15,901,041 Shares issued under the Placement and the subject of Resolutions 1 and 2

“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 \$0.05 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.

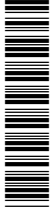
(l) Adjustment for Entitlements Issue

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.

RG1  
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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.30am (Melbourne time) on Tuesday, 16 February 2021.**

# Roto-Gro International Limited General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*. These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. 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 held virtually via a webinar conferencing facility, at 11.30am (Melbourne time) on Thursday, 18 February 2021.

## 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.

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\\_TvalmW4WSFWEeGXIMBQz1Q](https://us02web.zoom.us/webinar/register/WN_TvalmW4WSFWEeGXIMBQz1Q) following which you will receive a confirmation email containing information about joining the meeting. Even if you plan to participate online, we encourage all shareholders to cast proxy votes beforehand and to lodge questions in respect of the GM resolutions ahead of the meeting at [info@rotogro.com](mailto:info@rotogro.com). Lodging questions and casting your proxy vote ahead of the meeting will not prevent you from attending online.

## Access the meeting documents and lodge your proxy online:

### Online:

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

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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

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+61 3 9415 4000 (outside Australia)



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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.30am (Melbourne time) on Tuesday, 16 February 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.

## ATTENDING THE MEETING

**Shareholders will not be permitted to physically attend the meeting due to the COVID-19 pandemic.**

### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

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

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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

### By Mail:

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

### By Fax:

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



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

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 virtually via webcast on Thursday, 18 February 2021 at 11.30am (Melbourne time) and at any adjournment or postponement of that meeting.

## 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 poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to Issue Options to Institutional and Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Broker Options	<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.*

<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

### Update your communication details *(Optional)*

<input type="text"/>	<input type="text"/>
Mobile Number	Email Address

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

