



# NOTICE OF ANNUAL GENERAL MEETING, EXPLANATORY NOTES AND PROXY FORM

BWX LIMITED  
ABN 13 163 448 681

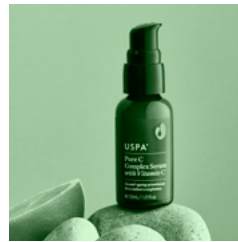
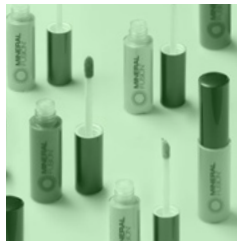
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## Notice of Meeting

**BWX LIMITED**

ABN 13 163 488 631

**NOTICE OF ANNUAL GENERAL MEETING,  
EXPLANATORY NOTES AND PROXY FORM****Date of Meeting:**

Wednesday 17 November 2021

**Time of Meeting:**

12:00pm

**Place of Meeting:**Online Meeting at <https://agmlive.link/BWX21>

Notice is given that the Annual General Meeting (**AGM**) of the shareholders of BWX Limited (**BWX** or the **Company**) commencing at 12:00pm on 17 November 2021 (Melbourne time).

Recognising the importance of the health and safety of our shareholders, employees and community and given the current COVID-19 restrictions, the 2021 AGM will be held virtually through an online meeting accessible at <https://agmlive.link/BWX21>. There will be no physical place of meeting available. Attendees may access the meeting by registering their name and contact details when prompted. Shareholders will also need their Shareholder Reference Number (SRN) or Holding Identification Number (HIN) to fully participate in the meeting including lodging votes and asking questions. We also encourage shareholders to submit written questions and vote by direct voting or appointing a proxy prior to the meeting.

Online voting at the meeting will be available between when the online platform is open (typically, fifteen minutes prior to the commencement of the meeting at 12:00pm Melbourne time) and the time at which the Chairman announces that voting has closed. We recommend logging in to the online platform at least fifteen minutes prior to the scheduled start time for the meeting. For further information on how to participate virtually, please refer to the information in this Notice and the Online Platform Guide which is available at [www.bwxltd.com/investor-centre](http://www.bwxltd.com/investor-centre).



## BUSINESS

### 1. REPORTS

To consider the financial report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2021.

### 2. RESOLUTION 1

#### Adoption of the Remuneration Report

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

*"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth), the Remuneration Report, as contained within the Directors' Report for the year ended 30 June 2021 set out in the Company's 2021 Financial Report, be adopted."*

Note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3. RESOLUTION 2

#### Re-election of Mr. Denis Shelley

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

*"That Mr. Denis Shelley, a director who retires in accordance with clause 58.2 of the Company's Constitution, be re-elected as a director."*

### 4. RESOLUTION 3

#### Increase in Non-Executive Director remuneration fee pool

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

*"That, for the purposes of clause 62 of the Constitution and Rule 10.17 of the ASX Listing Rules and with effect from the day after the conclusion of the this Meeting, the non-executive directors' aggregate maximum remuneration be increased by \$150,000 from \$650,000 to \$800,000 per annum."*

### 5. RESOLUTION 4

#### Section 260B Shareholder Approval

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

*"That, in connection with The Good Collective Pty Ltd ACN 169 556 398 (The Good Collective) becoming a guarantor of BWX Group's obligations to the Commonwealth Bank of Australia, and for the purposes of section 260A and 260B of the Corporations Act, Shareholders approve the provision of financial assistance proposed to be given by The Good Collective, for the purpose of, or in connection with, the acquisition of all the issued securities in The Good Collective, by way of a Share Purchase Agreement dated 14 May 2021 by BWX Digital Pty Ltd ACN 621 403 370 (a wholly-owned subsidiary of the Company), and all elements of that transaction that may constitute financial assistance by The Good Collective for the purposes of the Corporations Act in connection with the acquisition, as described in the Explanatory Notes, including the entry into, delivery and performance of all documents and transactions in connection with the accession of The Good Collective to facilities between the Company and Commonwealth Bank of Australia and the granting of guarantees and security by The Good Collective in connection with it. In this Resolution a reference to any document in this Resolution is to the document as amended, restated or replaced."*

Note: This is a special resolution and for it to be passed, at least 75% of the votes validly cast on this Resolution must be in favour of this Resolution.

### 6. RESOLUTION 5

#### Ratification of issue of Shares to institutional investors

To consider and, if thought fit, pass the following resolution:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 17,525,772 Shares to certain institutional investors on the terms and conditions more fully described in the Explanatory Notes."*

### 7. RESOLUTION 6

#### Grant of Rights to the Group CEO and Managing Director

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the grant of 152,963 Rights to the Group CEO and Managing Director, Mr. David Fenlon, in respect of the FY22 LTI component of his annual remuneration package under the BWX Equity Incentive Plan on the terms summarised in the Explanatory Notes."*

By order of the Board



**Alistair Grant**

Company Secretary

15 October 2021



## Notice of Meeting Continued

### VOTING AND PROXIES

#### VOTING

1. The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of Shares at 7:00pm (Melbourne time) on 15 November 2021.

#### VOTING EXCLUSIONS

1. KMP that may have a vested interest in the outcome of a Resolution have restrictions on voting on those Resolutions. KMP include members of the Board and certain senior executives, as set out in the BWX Annual Report. The Corporations Act restricts KMP and their Closely Related Parties from voting in certain circumstances.

2. Under the Corporations and ASX Listing Rules, voting exclusions apply to the following Resolutions and further detail is provided in the Explanatory Notes:

- Resolution 1  
Adoption of the Remuneration Report
- Resolution 3  
Increase in non executive Director fee pool
- Resolution 5  
Ratification of issue of Shares to institutional investors
- Resolution 6  
Grant of Rights to the Group CEO and Managing Director

#### PROXIES

1. A Shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder.
2. If a Shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
3. Where a Shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.
4. A proxy need not be a Shareholder of BWX.
5. To be effective, BWX must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 12:00pm (Melbourne time) on 15 November 2021.

6. Proxies may be lodged with BWX:

(a) by mail, using the enclosed reply envelope to:

BWX Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

(b) by facsimile:

+61 2 9287 0309

(c) online, at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

(d) by hand:

1A Homebush Bay Drive, Rhodes NSW 2138

7. Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer or attorney.

8. A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

9. The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be in favour of the Chairman of the meeting to which it relates, or to another person as the Board determines.

10. If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

Important note for Resolutions 1, 3 and 6:

Unless the Chairman is appointed by a Shareholder as proxy, KMP and their Closely Related Parties will not be able to vote as a proxy on Resolutions 1, 3 and 6, unless the Shareholder directs them how to vote on the proxy form. If a Shareholder intends to appoint one of these persons as their proxy, the Shareholder should ensure that they direct that person how to vote on Resolutions 1, 3 and 6.

If the Chairman is appointed by a Shareholder as proxy, or if the Chairman is appointed as proxy by default, the Shareholder may:

- direct the Chairman how to vote on Resolutions 1, 3 and 6 by marking either "For", "Against" or "Abstain" on the section of the proxy form corresponding to that Resolutions, in accordance with the directions on that form; or
- not direct the Chairman how to vote on Resolutions 1, 3 and 6, in which case, by submitting the proxy form, the Shareholder will be expressly authorising the Chairman to vote the undirected proxy in favour of the Resolutions, even if a Resolution is connected, directly or indirectly, with the remuneration of the KMP.



## 1. INTRODUCTION

These Explanatory Notes form part of the Notice of Annual General Meeting of BWX and have been prepared to provide Shareholders with information in connection with the Annual General Meeting to be held virtually through an online meeting accessible at <https://agmlive.link/BWX21>. Terms defined in the Explanatory Notes have the same meaning where used in this Notice of Meeting or as otherwise defined in Section 10 - Definitions.

The purpose of these Explanatory Notes is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the Resolutions. At the Annual General Meeting, Shareholders will be asked to consider Resolutions approving:

1. adoption of the Remuneration Report;
2. re-election of Mr. Denis Shelley as a Director;
3. increase in non-executive director remuneration fee pool;
4. section 260B Shareholder approval;
5. ratification of issue of Shares to institutional investors; and
6. approval of the grant of Rights to the Group CEO and Managing Director.

All Resolutions except Resolution 4 are ordinary resolutions requiring them to be passed by a simple majority of votes cast by Shareholders entitled to vote on the resolutions. Resolution 4 requires a special majority, meaning 75% of the votes validly cast on Resolution 4 must be in favour of the Resolution. Further information regarding the Resolutions is set out below.

These Explanatory Notes are important and should be read in their entirety by all Shareholders.

## 2. FINANCIAL STATEMENTS AND REPORTS

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial year ended 30 June 2021. No resolution will be required to be passed on this matter.

The Company's 2021 Annual Report can be viewed or downloaded from the Company's website at [www.bwxltd.com/investor-centre](http://www.bwxltd.com/investor-centre).

## 3. RESOLUTION 1

### Adoption of the Remuneration Report

Under section 250R(2) of the Corporations Act, a resolution adopting the Remuneration Report contained within the Directors' Report must be put to the vote.

Shareholders are advised that under section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

### Recommendation

The Board unanimously recommends that Shareholders vote in favour of this non binding Resolution.

### Voting exclusion statement

A vote must not be cast on Resolution 1 by any KMP, details of whose remuneration are included in the Remuneration Report, or their Closely Related Party (in any capacity), unless the vote is cast as proxy:

- a) for a person who is entitled to vote on Resolution 1 and the vote is cast in accordance with the directions on the proxy form; or
- b) by the Chairman as proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected, directly or indirectly, with the remuneration of the KMP.



## Explanatory Notes Continued

**4. RESOLUTION 2****Re-election of Mr. Denis Shelley**

Resolution 2 seeks approval for the re-election of Mr. Denis Shelley as a Director, who has retired in accordance with clause 58.2 of the Constitution, with effect from the end of the Annual General Meeting.

*Biography*

Mr. Denis Shelley joined the BWX Board on 15 July 2013. Mr. Shelley was chairman of the Board until 31 August 2018 and is currently a non-executive Director. Having been re-elected at the 2018 Annual General Meeting, he now retires in accordance with clause 58.2 of the Constitution and seeks re-election as a director of the Company.

Mr. Shelley is an experienced marketer, senior executive and CEO with more than 30 years' experience across a number of leading multinational companies including Sterling Winthrop, Reckitt & Colman and a 14-year international CEO career with Sara Lee Corporation (1992-2006).

Mr. Shelley has a broad industry background in FMCG, direct selling, intimate apparel and manufacturing operations. Mr. Shelley has experience in managing and building a broad range of consumer brands spanning pharmaceuticals, health and beauty, personal-care, intimate apparel and household products. Positions held include various brand management and marketing director roles such as Group Marketing Director Reckitt & Colman South Africa, CEO Sara Lee South Africa, CEO Sara Lee Household & Body Care Australia and President of Nutrimetics Australia.

Additionally, Mr. Shelley also held the position of Group Chairman of Sara Lee Australia (1996-2006) and as a result brings considerable experience in the many areas of corporate governance to BWX. He holds a Bachelor of Psychology and a Bachelor of Education and is a qualified teacher.

*Recommendation*

The Directors (excluding Mr. Denis Shelley) recommend that Shareholders vote in favour of Resolution 2.

**5. RESOLUTION 3****Increase in non-executive director remuneration fee pool**

Under the Constitution (as amended), non-executive director remuneration must not exceed an aggregate maximum of \$650,000 per annum (including statutory superannuation contributions) or such other maximum amount determined from time to time by the Company in general meeting.

Resolution 3 seeks approval for an increase of the aggregate maximum remuneration for non-executive Directors by \$150,000 from \$650,000 to \$800,000. Shareholder approval is being sought for the purposes of Clause 62 of the Constitution and ASX Listing Rules 10.17.

The increase is proposed:

- a) in response to the growth of the Company and its international expansion since the Company's incorporation in 2013;
- b) to permit additional Directors to be appointed if the needs of the Company warrant additional skills on the Board; and
- c) to respond to market competitive remuneration increases for Directors;

While non-executive Directors were eligible to participate in the legacy BWX Employee Loan Plan (which is no longer active), and the options plan, no Shares were issued under the Employee Loan Plan to non-executive Directors in the last three years.

The Directors make no recommendation in relation to the proposed increase due to the non-executive Directors' personal interests in this Resolution. Shareholders should determine for themselves whether or not the increase to the aggregate maximum should be approved or not.



#### *Voting exclusion statement*

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a Director or an associate of that person.

However, this does not apply to a vote cast in favour of Resolution 3 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;
- 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 a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Additionally, a person who is appointed as proxy in relation to Resolution 3 and who is a KMP member or any of their Closely Related Parties must not vote as proxy unless:

- a) the appointment specifies the way the proxy is to vote on Resolution 3; or
- b) the person is Chairman of the Annual General Meeting; and
- c) the appointment expressly authorises the Chairman of the Annual General Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP member.

## 6. RESOLUTION 4

### Section 260B Shareholder Approval

#### *Reason for this resolution*

It is a requirement of the debt facility with BWX's lenders, Commonwealth Bank of Australia, that any company acquired by BWX (in this case, The Good Collective Pty Ltd) will become a guarantor of the obligations of BWX and the BWX Group. As The Good Collective Pty Ltd will become a guarantor of BWX's obligations to Commonwealth Bank of Australia, The Good Collective is considered to be providing "financial assistance" (for the purposes of the Corporations Act) to BWX Digital Pty Ltd to acquire it. To that end, shareholder approval under the Corporations Act is sought.

The "financial assistance" that is being provided by The Good Collective is outlined in the explanatory notes below, and no transfer of funds has been provided to BWX Digital Pty Ltd by The Good Collective in relation to the acquisition.

In the following paragraphs, BWX has provided all of the information required by law to explain the financial assistance for the purpose of the Corporations Act.

#### *Background*

On 1 July 2021, BWX Digital Pty Ltd ACN 621 403 370 (**BWX Digital**), a wholly-owned subsidiary of BWX, entered into a binding agreement (**Acquisition Agreement**) to acquire The Good Collective Pty Ltd ACN 169 556 398 (**Good Collective**), which trades under the brand Flora and Fauna (**Acquisition**). BWX agreed to acquire Flora & Fauna for \$28.1m, based on multiple of 1.7x Flora & Fauna's actual FY21 revenue. The Acquisition is expected to be earnings per share (**EPS**) accretive in FY22, and strongly EPS accretive by FY24 with the realisation of anticipated synergies.

Flora & Fauna is a leading Australian curated online retail platform exclusively focused on vegan, ethical and sustainable products. Flora & Fauna and Nourished Life will form a new direct-to-consumer business unit within BWX. This new business unit provides an online retail powerhouse focused on a multi-category portfolio of better-for-you, healthy and sustainable products, 80% of which are not available in mainstream retail.



## Explanatory Notes Continued

### 6. RESOLUTION 4 CONTINUED

#### Section 260B Shareholder Approval CONTINUED

##### *Restrictions on companies providing financial assistance*

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- a) giving the assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or
  - (ii) the company's ability to pay its creditors; or
- b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- c) the assistance is exempted under section 260C of the Corporations Act.

A company may be regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help. The term 'financial assistance' has no technical meaning and requires an examination of the commercial realities of the relevant transaction. Common examples of financial assistance include issuing a debenture, giving security over a company's assets, and giving a guarantee or indemnity in respect of another person's liabilities.

##### *The proposed financial assistance*

BWX is party to a Facility Agreement dated 19 June 2015 (as amended from time to time) (**Facility Agreement**) with Commonwealth Bank of Australia (**Lender**). Under the Facility Agreement the total commitments are US\$33,770,829.45 and A\$77,086,000. However, it is expected that, subject to the approval of the Lender, the commitments may increase over time.

Under the Facility Agreement, BWX must ensure that certain of its subsidiary companies, which are borrowers of funds from the Lender, are supported by certain of its other subsidiaries which provide guarantees to the Lender in respect of the borrowers and security over all of their assets. Typically, each time that the Company acquires a new subsidiary company, that company is required to become a guarantor of the borrowers and provide security over all of its assets.

In the case of the acquisition of Good Collective, the Lender made available a tranche of debt (**Facility B**) of up to A\$45,000,000, which BWX utilised to assist it in paying the consideration under the Share Purchase Agreement. It is a requirement under the Facility Agreement that, following the requisite approvals under section 260B of the Corporations Act, Good Collective accede to the Facility Agreement as a guarantor and provide to the Lender a guarantee and security over all of its assets. Under the Facility Agreement, BWX is required to ensure that all approvals and lodgements under section 260B of the Corporations Act required for the provision of the guarantee and security by Good Collective are finalised by the date which is 15 days after the AGM.

It is proposed that, following the approvals under section 260B of the Corporations Act, Good Collective enter into the following documents (**Documents**):

- a) an accession letter under which, among other things, Good Collective agrees to become a guarantor under the Facility Agreement and be bound by and comply with all of the terms and provisions of the Facility Agreement applicable to it as a guarantor; and
- b) a general security deed under which, among other things, Good Collective grants a security interest over all of its assets in favour of the Lender.

The entry into the Documents would constitute financial assistance within the meaning of section 260A of the Corporations Act in so far as it assists BWX Digital to acquire the shares in Good Collective.

In addition, a borrower under the Facility Agreement may arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future from time to time. In order to secure and regulate the obligations of that borrower, in relation to such financing facilities, Good Collective and any subsidiary of Good Collective may, from time to time:

- a) execute, or accede to, a new facilities agreement as an obligor on terms acceptable to Good Collective at the relevant time;
- b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure each obligor's obligations under any new facilities agreement or any related document; and
- c) execute, or accede to, any document in connection with or ancillary to, any new facilities agreement, or guarantee, indemnity or security interest given in connection with any new facilities agreement, and any related document,

(**Refinancing**). The Refinancing may also amount to financial assistance under section 260A of the Corporations Act.

If the Resolution is not passed, and the guarantee and security from Good Collective is not provided, the Lender is entitled to terminate the facilities (**Facilities**) under the Facility Agreement and demand immediate repayment of the Facilities.

##### *Effect of the financial assistance*

The giving of the guarantee and indemnity and security in connection with the Facility Agreement, may impact on the Good Collective's ability to borrow money in the future and it is possible that this could materially prejudice the interests of BWX and its shareholders.



However, BWX, as the new ultimate parent entity of the Good Collective, and BWX Digital agreed to the provision of the proposed financial assistance noted above because each believes that to be in best interests of Good Collective, and the BWX group as a whole, as the Good Collective is now part of the BWX group. The assessment of material prejudice, including the Good Collective's ability to pay its creditors, embraces the whole transaction and so brings into account its immediate consequences in terms of determining whether there is a material prejudice. The assessment of material prejudice has quantitative and qualitative elements.

The quantitative element involves an assessment of the impact of the Documents on the Good Collective's balance sheet, future profits and future cash flows. The prejudice to the Good Collective's ability to pay its creditors relates to the guarantees and indemnities and security interests to be provided by the Good Collective in connection with the Facility Agreement. If BWX or any applicable subsidiary or related entity of it defaults under the Facility Agreement, the Lender may decide to make a demand under the Facility Agreement (including by a call on a guarantee and indemnity or enforcement of security given by the Good Collective (or both)). Accordingly, the Good Collective will be liable for the default of BWX or any applicable subsidiary or related entity of it under the Facility Agreement.

The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The directors of the Good Collective consider that the acquisition of the shares by BWX is to the benefit of the Good Collective and promotes the interests of the Good Collective. This is on the basis that Good Collective will inherit a committed single shareholder (BWX) who will be focused on the performance of Good Collective and its business.

The Directors do not currently believe that BWX or any relevant subsidiaries' drawdown under Facility Agreement would have any impact on the Good Collective's ability to pay creditors, nor are they concerned about any potential default under the Facility Agreement or the Documents.

However, if the Lender becomes entitled to enforce any of its rights under the Facility Agreement because BWX or any applicable subsidiary or related entity of it defaults, the enforcement may materially prejudice the interests of the Good Collective and its shareholders. On enforcement, among other rights, the Lender may become entitled to procure the sale of the assets of the Good Collective. The sale of assets on enforcement may result in a return to the Good Collective (and ultimately BWX as its shareholder) significantly lower than could have been achieved by the Good Collective had those assets been otherwise sold. This may materially prejudice the interests of Good Collective and its shareholders.

Accordingly, the Directors have decided to refer the proposal to Shareholders for approval under section 260B of the Corporations Act in light of the guarantee, indemnity and security that is to be provided by the Good Collective under the Documents and the Facility Agreement.

#### *Shareholder approval of financial assistance*

Under section 260B(1) of the Corporations Act, shareholder approval for financial assistance by the company must be given by:

- a) a special resolution passed at a general meeting of the company; or
- b) a resolution agreed to, at a general meeting, by all ordinary shareholders of the Company.

In addition, if the company will be a subsidiary of a listed domestic corporation (such corporation being the **Listed Holding Company**) immediately after the transaction, then the financial assistance must also be approved by a special resolution passed at a general meeting of the Listed Holding Company under section 260B(2) of the Corporations Act.

In this case, the Company will be, on completion of the Acquisition Agreement, the Listed Holding Company of Good Collective and accordingly, Shareholder approval is being sought.

The Board has approved the statements in this Notice of Meeting and recommends that the Shareholders approve the giving of the financial assistance and pass the Resolution under section 260B(2) of the Corporations Act.

The Directors consider that this Notice contains all material information known to the Company that could reasonably be required by a Shareholder in deciding how to vote on this Resolution, other than information that would be unreasonable to require the Company to disclose because the Company has previously disclosed that information to Shareholders.



## Explanatory Notes Continued

**7. RESOLUTION 5****Ratification of issue of Shares to institutional investors**

The Company is seeking Shareholder approval for the purposes of ASX Listing Rule 7.4 and for all other purposes, in respect of the issue of Shares to certain institutional investors as announced to the ASX on 1 September 2021 and as further described in the table below.

<b>Persons to whom the issue was made</b>	Institutional investors under a placement
<b>Date of issue of Shares</b>	2 September 2021
<b>Number of Securities issued</b>	17,525,772 Shares
<b>Issue price per Share</b>	A\$4.85 per Share
<b>Class and material terms of shares issued</b>	Fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares
<b>Use of the funds raised</b>	The funds were to be principally used to acquire a 50.1% stake in Go-To Enterprise Holdings Pty Ltd as referred to in the investor presentation released to ASX on Friday, 27 August 2021

The issue of the above Shares was within the 15% limitation imposed by ASX Listing Rule 7.1. Under ASX Listing Rule 7.1, the Company may issue equity securities up to 15% of its share capital in any 12 month rolling period without shareholder approval, unless an exception in ASX Listing Rule 7.2 applies.

ASX Listing Rule 7.4 permits a company to obtain subsequent approval of a prior issue of shares from its shareholders. The subsequent approval means the prior issue of shares is treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 and refreshes the Company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval to the extent of the number of shares being approved.

If Resolution 5 is not passed, the issue of Shares noted above will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 months following the issue date for those Shares.

As noted above, Shareholder approval is now being sought for the purposes of ASX Listing Rule 7.4.

*Recommendation*

The Directors recommend that Shareholders vote in favour of Resolution 5.

*Voting Exclusion for Resolution 5*

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a) a person who participated in the issue (or where applicable, is a counterparty to the agreement being approved) which is the subject of the relevant Resolution; or
- b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of Resolution 5 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;
- 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 a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## 8. RESOLUTION 6

### Grant of Rights to the Group CEO and Managing Director

Resolution 6 seeks approval for the granting of 152,963 Rights to the Group CEO and Managing Director, Mr. David Fenlon, in respect of the FY22 LTI component of his annual remuneration package under the BWX Limited Equity Incentive Plan (**Plan**).

#### *Background*

The Company operates the Plan as part of its executive remuneration strategy, and it has incorporated feedback from investors in developing it. The Plan aims to deliver rewards to eligible executives, recognising individual and Company performance and aligned with the interests of Shareholders. Under the Plan, eligible executives are offered Rights, subject to satisfaction of applicable performance-based conditions over the three year vesting period. Rights have been adopted because they create share price alignment between executives and Shareholders but do not provide participants with the full benefits of Share ownership (such as dividend and voting rights) until the Rights vest and Shares are acquired. Further details about the Plan can be found in the 2021 Remuneration Report (see pages 81-82 of the 2021 Annual Report).

#### *Approvals sought*

ASX Listing Rule 10.14 requires shareholder approval for a director to be issued equity securities in a company under an employee incentive scheme.

Accordingly, Shareholders are asked to approve the grant of 152,963 Rights to Mr. Fenlon under the Plan, on the terms and conditions set out in the Explanatory Notes. Approval of this Resolution will also result in the Rights granted to Mr. Fenlon being included as an exception to the approval requirements of ASX Listing Rule 7.1. This means the Rights granted to Mr. Fenlon and any other Shares issued pursuant to this approval, will not use up part of the 15% limit available under ASX Listing Rule 7.1.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E or an exemption applies. Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr. Fenlon.

Accordingly, Shareholder approval is being sought for the purposes of sections 200B and 200E for any termination benefits that may be provided to Mr. Fenlon in respect of the FY22 grant of Rights in connection with his ceasing to hold managerial or executive office.

The Board believes that granting the Rights and ensuring that the limited stretch opportunity is the best way to achieve management and Shareholder alignment. However, if Shareholders do not approve this Resolution, the Board will consider whether to proceed with this grant; to make the grant on different terms; or to acquire Shares on-market to satisfy some or all of the original grant of Rights.

#### *Key terms of the Rights*

A brief overview of the key terms of the proposed grant of Rights to Mr. Fenlon are set out below.

Term	Details
Details of the grant	<p>Subject to shareholder approval, Mr. Fenlon will be granted 152,963 Rights under the Plan comprising the FY22 LTI component of his annual remuneration package.</p> <p>The number of Rights to be granted has been calculated by dividing Mr. Fenlon's maximum FY22 LTI Opportunity (being 100% of his FY22 Base Salary of \$800,000) by the volume weighted average price (VWAP) of a Share for the thirty trading days immediately prior to 1 July 2021, being \$5.23.</p>
Entitlements	<p>Each Right is an entitlement to receive one Share, subject to satisfaction of the applicable performance and / or service-related conditions.</p> <p>Rights do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions such as bonus issues.</p> <p>Rights are not transferable (except in limited circumstances or with the consent of the Board).</p>
Date of grant	If Shareholder approval is obtained, the Rights will be granted to Mr. Fenlon as soon as practicable after the AGM, but in any event, within 12 months of the AGM.



**8. RESOLUTION 6** CONTINUED**Grant of Rights to the Group CEO and Managing Director** CONTINUED*Key terms of the Rights* CONTINUED

Term	Details								
Performance / vesting conditions	<p>Vesting of Rights is subject to:</p> <ul style="list-style-type: none"><li>• two independently tested performance hurdles (refer below for detail); and</li><li>• Mr. Fenlon's continued employment with the Company.</li></ul> <p><b>(1) Relative TSR hurdle (50% of Rights):</b></p> <p>Vesting of 50% of Rights will be subject to the Company's Relative TSR hurdle.</p> <p>Broadly, TSR calculates the return Shareholders would earn if they held a notional number of Shares over a period of time and measures the growth in the Company's Share price together with the value of dividends during the relevant period, assuming that the dividends are re-invested into new Shares.</p> <p>Relative TSR compares the TSR performance of the Shares of the Company against the TSR of the securities of a select group of companies listed on the ASX (<b>Comparator Group</b>) over the performance period, being 1 July 2021 to 30 June 2024 (<b>Performance Period</b>). The Comparator Group which the Board has chosen is the S&amp;P ASX Small Ordinaries Index, being all of the companies from number 101 to 300 by market capitalisation (excluding BWX) on the ASX.</p> <p>The Relative TSR hurdle is tested by measuring the degree to which the Company's TSR performance has outperformed the TSR of the Comparator Group against the pre-determined targets set by the Board over the Performance Period and described below.</p> <p>The percentage of Rights that vest, if any, will be determined with reference to the Company's Relative TSR performance in comparison to that of the Comparator Group over the Performance Period as set out in the table below.</p> <table><tr><th>Relative TSR of the Company ranked against the Comparator Group</th><th>Rights subject to Relative TSR hurdle that vest (%)</th></tr><tr><td>Less than 50th percentile</td><td>Nil</td></tr><tr><td>Between 50th percentile and 75th percentile</td><td>Straight line pro-rata vesting between 50% and 100%</td></tr><tr><td>At or above 75th percentile</td><td>100%</td></tr></table>	Relative TSR of the Company ranked against the Comparator Group	Rights subject to Relative TSR hurdle that vest (%)	Less than 50th percentile	Nil	Between 50th percentile and 75th percentile	Straight line pro-rata vesting between 50% and 100%	At or above 75th percentile	100%
Relative TSR of the Company ranked against the Comparator Group	Rights subject to Relative TSR hurdle that vest (%)								
Less than 50th percentile	Nil								
Between 50th percentile and 75th percentile	Straight line pro-rata vesting between 50% and 100%								
At or above 75th percentile	100%								



Term	Details								
Performance / vesting conditions CONTINUED	<p><b>(2) EPS hurdle (50% of Rights):</b></p> <p>Vesting of 50% of Rights will be subject to the Company's EPS hurdle.</p> <p>The EPS hurdle is tested by measuring the growth in the Company's EPS over the Performance Period against pre-determined targets set by the Board.</p> <p>Broadly, EPS measures the earnings generated by the Company attributable to each Share. EPS will be calculated by dividing NPAT for the Performance Period by the weighted average number of ordinary shares outstanding during the period. NPAT may be adjusted for the after-tax effect of material infrequent items that the Board believes do not reflect ongoing operations of the Group, and amortisation of acquired intangible assets.</p> <p>The percentage of Rights that vest, if any, will be determined with reference to the Company's EPS performance over the Performance Period, as set out in the table below.</p> <table> <tr> <th>Growth in Company's EPS</th><th>Rights subject to EPS hurdle that vest (%)</th></tr> <tr> <td>Below 30% EPS growth</td><td>Nil</td></tr> <tr> <td>Between 30% and 80% EPS growth</td><td>Straight line pro-rata vesting between 0% and 100%</td></tr> <tr> <td>At or above 80% EPS growth</td><td>100%</td></tr> </table> <p>The Board retains the discretion to adjust both the Relative TSR and EPS hurdles outlined above to ensure that Mr. Fenlon (and all other Plan participants) are neither advantaged nor disadvantaged by matters outside management's influence that materially affect the achievement of the hurdle (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).</p> <p>The Board also retains the discretion to adjust the Relative TSR and EPS hurdles to ensure that they remain appropriately challenging and relevant in order to meet the aims of the Plan.</p>	Growth in Company's EPS	Rights subject to EPS hurdle that vest (%)	Below 30% EPS growth	Nil	Between 30% and 80% EPS growth	Straight line pro-rata vesting between 0% and 100%	At or above 80% EPS growth	100%
Growth in Company's EPS	Rights subject to EPS hurdle that vest (%)								
Below 30% EPS growth	Nil								
Between 30% and 80% EPS growth	Straight line pro-rata vesting between 0% and 100%								
At or above 80% EPS growth	100%								
Performance / vesting period	<p>The Relative TSR and EPS hurdles outlined above will be tested over the Performance Period.</p> <p>As the Company's full-year results are not typically announced to the market until late August each year following the results announcement, the final number of Rights that vest will not be determined until after this time.</p> <p>Any Rights that do not vest following testing will lapse.</p>								
Allocation of Shares on vesting	<p>Following determination of the extent to which the performance hurdles have been satisfied (at the end of the Performance Period), vested Rights will be automatically exercised, and one Share will be allocated for each vested Right that is exercised.</p> <p>The Company's obligation to allocate Shares on vesting and automatic exercise may be satisfied by issuing new Shares, acquiring Shares on-market or transferring Shares from an employee share trust.</p>								
Price payable for securities	<p>No amount is payable in respect of the grant of Rights, nor in respect of any Shares allocated on exercise of vested Rights.</p>								
Trading restrictions	<p>Shares allocated on exercise of vested Rights will not be subject to any further trading restrictions, subject to compliance with the BWX Securities Trading Policy.</p> <p>Entering into any scheme or arrangement to "hedge" or alter the economic benefit of the Rights is prohibited.</p>								



## Explanatory Notes Continued

**8. RESOLUTION 6** CONTINUED**Grant of Rights to the Group CEO and Managing Director** CONTINUED*Key terms of the Rights* CONTINUED

Term	Details
Cessation of employment	<p>If Mr. Fenlon ceases employment with the Company prior to the vesting of Rights, the treatment of the Rights will depend on the circumstances of his cessation.</p> <p>Where Mr. Fenlon ceases employment prior to vesting of his Rights due to his resignation or termination for cause (including gross misconduct), all of his unvested Rights will automatically lapse.</p> <p>Where Mr. Fenlon ceases employment in any other circumstance prior to vesting of his Rights, then a pro-rata number (based on the portion of the Performance Period that has elapsed at the time of his cessation) of Mr. Fenlon's unvested Rights will remain "on-foot" and will be performance tested at the end of the original Performance Period. To the extent the relevant performance hurdles are satisfied, the Rights will vest at the original vesting date. The Board retains the discretion to apply a different treatment at the time of termination if considered appropriate in the circumstances.</p>
Malus/ Clawback	<p>The Plan provides the Board with the ability to apply malus/clawback and forfeit Rights or Shares in certain circumstances, including fraud, gross misconduct or material misstatement of financial records.</p>
Termination benefits	<p>The approval to provide termination benefits in respect of the FY22 grant does not guarantee that Mr. Fenlon will receive a termination benefit but rather preserves the discretion of the Board to determine the most appropriate treatment in relation to the FY22 grant, which may include allowing vesting of Rights and settlement of them with Shares or a cash equivalent payment on cessation or allowing more than a pro-rata number of Rights to remain "on foot" upon cessation.</p> <p>The value of any benefit relating to the Rights given in connection with Mr Fenlon ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:</p> <ul style="list-style-type: none"> <li>• the number of Rights held by Mr. Fenlon prior to cessation of employment;</li> <li>• the circumstances of or reasons for Mr Fenlon's cessation of employment;</li> <li>• the result of any pro-rating on cessation of employment;</li> <li>• whether performance hurdles are met or waived, and the number of Rights that vest;</li> <li>• when the Rights vest and Shares are allocated;</li> <li>• whether the Rights are settled in Shares or by payment of a cash equivalent amount; and</li> <li>• the market price of Shares allocated to Mr Fenlon on vesting of Rights.</li> </ul>
Other information	<p>No other Director is eligible to participate in the Plan or any other employee incentive scheme of the Company.</p> <p>There is no loan scheme in relation to the grant of Rights under the Plan.</p> <p>Details of any Rights issued under the Plan will be published in the Company's 2022 Annual Report along with a statement that approval of the issue of the Rights was obtained at the 2021 AGM under ASX Listing Rule 10.14.</p> <p>Any additional people covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Rights under the Plan after this Resolution 6 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.</p>



*The Group CEO and Managing Director's total remuneration package for FY22*

Under his employment agreement, Mr. Fenlon's current total remuneration package is set out below:

Remuneration element	Opportunity
Total Fixed Remuneration (inclusive of Base Salary plus Superannuation)	\$823,568
FY22 Short-Term Incentive	80% of Base Salary at target (\$640,000) 104% of Base Salary at maximum (\$832,000)
FY22 Long-Term Incentive	100% of Base Salary at maximum (\$800,000)

Further information regarding the CEO and Managing Director's executive remuneration arrangements is detailed on pages 81 to 82 of the 2021 Annual Report.

*Rights previously awarded under the Plan*

The following table summarises the Rights previously granted to Mr. Fenlon under the Plan, as approved by Shareholders at the 2020 AGM:

Description	Number of Rights	Average Acquisition Price Paid
FY21 LTI Rights	286,103	\$0

For details of the FY21 LTI Rights, please refer to the Notice of Meeting of AGM for BWX in 2020.

*Recommendation*

The Board (other than Mr. Fenlon who abstains from making a recommendation because of his interest in this Resolution) unanimously recommends that Shareholders vote in favour of this Resolution 6.

*Voting exclusion statement*

BWX will disregard any votes cast in favour of Resolution 6, by or on behalf of the CEO and Managing Director or any Director, and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 6 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;
- 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 a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Additionally, a person who is appointed as proxy in relation to Resolution 6 and who is a KMP member or any of their Closely Related Parties must not vote as proxy unless:

- a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- b) the person is Chairman of the Annual General Meeting; and the appointment expressly authorises the Chairman of the Annual General Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a KMP member.

## 9. UNDIRECTED PROXIES

The Chairman of the meeting intends to use any undirected proxies held by him to vote at the meeting in favour of each of the Resolutions referred to above.



## 10. DEFINITIONS

**AGM or Annual General Meeting** means annual general meeting of Shareholders convened by this Notice of Meeting.

**ASX** means ASX Limited or the financial market operated by it known as the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**Board** means the board of directors of the Company.

**BWX Limited Equity Incentive Plan** means the BWX Equity Incentive Plan, further details of which are outlined in pages 81 to 82 of the 2021 Annual Report of BWX.

**Chairman** means chairman of the Annual General Meeting.

**Closely Related Party** means any of the following:

- (a) a spouse, child or dependant of the member;
- (b) a child or dependant of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- (d) a company the member controls; or
- (e) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

**Company** means BWX Limited ABN 13 163 488 631.

**Comparator Group** means all of the companies in the S&P ASX Small Ordinaries Index, being companies from number 101 to 300 (excluding BWX) listed on the ASX against which Relative TSR will be measured.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**EPS** means the earnings generated by the Company attributable to each Share. EPS will be calculated by dividing NPAT for the relevant period by the weighted average number of Shares outstanding during the Performance Period.

**Explanatory Notes** means these explanatory notes which explain and form part of this Notice of Meeting.

**FY** means a financial year commencing 1 July and ending 30 June. For example, FY20 means the financial year starting 1 July 2019 and ended 30 June 2020.

**Key Management Personnel** or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly and includes Directors and certain senior executives.

**LTI** means long-term incentive.

**Meeting** means the meeting or AGM convened by this Notice of Meeting.

**Notice of Meeting** means this notice of meeting convening the Meeting, including the Explanatory Notes.

**NPAT** means net profit after tax, adjusted for the after-tax effect of material infrequent items that the Board believes do not reflect ongoing operations of the Group, and amortisation of acquired intangible assets.

**Performance Period** means the three year period of performance between 1 July 2021 and 30 June 2024 against which the Relative TSR and EPS hurdles are measured.

**Relative TSR** compares the TSR of the Shares against the securities of a select group of peer companies listed on the ASX, described as the Index.

**Resolution** means a resolution set out in this Notice of Meeting.

**Right** means an entitlement to receive one Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance and/or service-related conditions.

**S&P ASX Small Ordinaries Index** means all of the companies listed on the ASX from companies numbered 101 to 300 by market capitalisation (excluding BWX).

**Shareholder** means the registered holder of at least one Share.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Total Shareholder Return** or **TSR** means total shareholder return, which is a measure of the return of the Shares over time calculated on the assumption that all dividends are reinvested when paid.

**VWAP** means volume weighted average price over the relevant period.



BWX<sup>leaf</sup>

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