

NOTICE OF ANNUAL GENERAL MEETING



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

Time and date:

Monday, 22 November 2021 at 3:00pm (AWST)

Virtual meeting link:

https://us02web.zoom.us/webinar/register/WN_YA3jBw37TGywYlrwMEeVGw

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

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

LITTLE GREEN PHARMA LTD

ACN 615 586 215
(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Little Green Pharma Ltd (Company) will be held virtually on Monday, 22 November 2021 at 3:00pm (AWST) (Meeting).

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (AWST) on 20 November 2021.

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

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

AGENDA

1 ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

2 RESOLUTIONS

Resolution 1 – Remuneration Report

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

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

Note: a vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director - Michael Lynch-Bell

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

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

Resolution 3 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Ratification of issue of Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) 26,719,833 Shares under Listing Rule 7.1; and
- (b) 18,613,500 Shares under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval to increase Non-Executive Directors' Remuneration

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

'That, pursuant to and in accordance with Clause 8.8(a) of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$500,000 per annum, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Renewed approval of Employee Securities Incentive Plan

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

'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders re-approve the existing employee incentive scheme of the Company known as the "Little Green Pharma Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval of potential termination benefits under the Plan

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

'That, conditional on Resolution 6 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Little Green Pharma Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

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

- (a) Resolution 3 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (b) Resolution 4(a) and (b) by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associate;
- (c) Resolution 5 by or on behalf of a Director, or any of their respective associates; and
- (d) Resolution 6 by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

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

Voting prohibitions

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

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

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

Resolution 5: In accordance with sections 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 7: In accordance with sections 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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

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

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

BY ORDER OF THE BOARD



Alistair Warren
Company Secretary
Little Green Pharma Ltd
Dated: 15 October 2021

LITTLE GREEN PHARMA LTD

ACN 615 586 215
(Company)

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held virtually at Suite 2, Level 2, 66 Kings Park Road, West Perth 6005, Western Australia on Monday 22 November 2021 at 3:00pm (WST) (Meeting).

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

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

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director - Michael Lynch-Bell
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4(a) and (b) – Ratification of issue of Placement Shares
Section 8	Resolution 5 – Approval to increase Non-Executive Directors' Remuneration
Section 9	Resolution 6 – Renewed approval of Employee Securities Incentive Plan
Section 10	Resolution 7 – Approval of potential termination benefits under the Plan
Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan

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

2. Voting and attendance information

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

2.1 No voting in person

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

As Shareholders will not be entitled to physically attend the Meeting, it will be deemed to be held at the registered office of the Company in accordance with section 253QA(3) of the Corporations Act.

2.2 Voting by proxy

All voting will be conducted by poll. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

Shareholders may also submit their proxies electronically through the Company Registry's Investor Vote website, www.investorvote.com.au website (control number 185906) at any time prior to the Proxy Cut Off Time.

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

- (a) vote by lodging a Proxy Form prior to 3:00pm (AWST) on 20 November 2021 (**Proxy Cut-Off Time**) (recommended); and
- (b) contact the Company at cosec@lgp.global or by phone at (08) 6280 0050 prior to the Proxy Cut-Off Time if they wish to participate and vote at the Meeting, at which point the Company will email you a personalised
- (c) poll form for the purpose of voting on a poll at the Meeting.

2.3 Attending the Meeting virtually

The Meeting will be virtually accessible to all Shareholders, and will allow Shareholders, as a whole, a reasonable opportunity to participate without being physically present at the Meeting.

The Company will announce details of how to register for and remotely attend the Meeting via the ASX Market Announcements Platform and on the Company's website at <https://investor.littlegreenpharma.com/site/content/>

Shareholders who choose to participate in the Meeting virtually will be able to:

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

How Shareholders can participate:

- (a) Shareholders are strongly urged to vote by lodging a Proxy Form prior to the Meeting and to appoint the Chair as your proxy. Shareholders can complete the Proxy Form or submit their proxies electronically through the www.investorvote.com.au website to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (including for online submission) are set out in the Proxy Form and are also available on the Company's investor centre website at <https://investor.littlegreenpharma.com/site/investor-centre/annual-general-meetings>. If a person other than the Chair is appointed as your proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.
- (b) Shareholders who intend to participate and vote live on a poll at the Meeting must contact the Company at cosec@lgp.global or by phone at (08) 6280 0050 to notify the Company that you intend to participate and vote live on a poll at the Meeting. You will also need to register and access the virtual Meeting by Zoom webinar to follow the Meeting and timing of the poll. After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called during the Meeting and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.
- (c) Lodgement of a Proxy Form will not preclude a Shareholder from participating in the virtual Meeting.

2.4 Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 5, Resolution 6 and Resolution 7, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

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

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at cosec@lgp.global by 3:00pm (AWST) on 20 November 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

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

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

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

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

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

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

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

4. Resolution 1 – Remuneration Report

4.1 General

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

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

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

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting held on 26 November 2020. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

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

4.2 Additional information

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director - Michael Lynch-Bell

5.1 General

Clause 8.2(b) of the Constitution and Listing Rule 14.5 both provide that there must be an election of directors at each annual general meeting of the Company. If no person or Director is standing for election or re-election in accordance with other Clauses of the Constitution, Clause 8.2(b)(iv) provides that any director who wishes to may retire and stand for re-election.

Clause 8.3 of the Constitution provides that a Director who retires in accordance with Clause 8.2(b) holds office until the conclusion of the Meeting but is eligible for re-election.

Accordingly, Michael Lynch-Bell retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If elected, Mr Lynch-Bell is considered by the Board (with Mr Lynch-Bell abstaining) to be an independent Director. Mr Lynch-Bell is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

5.2 Michael Lynch-Bell

Michael is an experienced corporate finance executive and consultant. Michael led Ernst & Young's UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice and has been involved advising companies on fundraising, re-organisations, transactions, corporate governance as well as IPOs. Michael is a former Chair of the Bureau and current member of UNECE's Expert Group on Resource Management and a Non-Executive Director of Barloworld Limited (JSE:BAW), Senior Independent Director and Remuneration Committee Chair of Gem Diamonds Limited (LSE:GEMD), Audit Committee Chair of Lenta Limited (LSE:LNTA, MCX:LNTA) and previously

Deputy Chair and Nomination Committee Chair of Kaz Minerals plc. Michael is also Chair of the Company's Remuneration & Nomination Committee.

Mr Lynch-Bell does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Lynch-Bell's background and experience and that these checks did not identify any information of concern.

5.3 Board recommendation

The Board (other than Mr Lynch-Bell who has a personal interest in the outcome of this Resolution) supports the re-election of Mr Lynch-Bell. Having reviewed Mr Lynch-Bell's performance, the Board considers that he continues to make a valuable contribution to the Board. Mr Lynch-Bell brings to the Board extensive leadership, governance, finance and risk management skills. Mr Lynch-Bell's skills and experience are particularly valuable in his role as Chair of the Remuneration & Nomination Committee and a member of the Audit and Risk Committee. The Board (with Mr Lynch-Bell abstaining) recommends that Shareholders vote in favour of the re-election of Mr Lynch-Bell.

5.4 Additional information

Resolution 2 is an ordinary resolution.

The Board (other than Mr Lynch-Bell who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of this Resolution.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval to provide the Company with the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

6.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$161,620,098, based on the closing price of Shares (\$0.685) on 12 October 2021.

(b) What Equity Securities can be issued?

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

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

(c) How many Equity Securities can be issued?

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

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

Where:

A = is the number of Shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the Relevant Period; or
 - (2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

- (D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;
- (E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the Relevant Period.

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

D = is 10%.

E = is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rules 7.1 or 7.4.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

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

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(e)(i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

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

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

(10% Placement Period).

(g) **What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under the 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

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

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

If this Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c) above) as at the date of this Notice (Variable A), with:

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

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.343 50% decrease in Current Market Price	\$0.685 Current Market Price	\$1.370 100% increase in Current Market Price
235,941,749 Shares Variable A	10% Voting Dilution	23,594,175 Shares	23,594,175 Shares	23,594,175 Shares
	Funds raised	\$8,081,005	\$16,162,010	\$32,324,020
353,912,624 Shares 50% increase in Variable A	10% Voting Dilution	35,391,262 Shares	35,391,262 Shares	35,391,262 Shares
	Funds raised	\$12,121,507	\$24,243,015	\$48,486,029
471,883,498 Shares 100% increase in Variable A	10% Voting Dilution	47,188,350 Shares	47,188,350 Shares	47,188,350 Shares
	Funds raised	\$16,162,010	\$32,324,020	\$64,648,039

Notes:

1. The table has been prepared on the following assumptions:
 - (a) The issue price is the current market price (\$0.685), being the closing price of the Shares on ASX on 12 October 2021, being the latest practicable date before this Notice was signed.
 - (b) Variable A comprises of 235,941,749 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - (c) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (d) No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - (e) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

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

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

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

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 26 November 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue Equity Securities under Listing Rule 7.1A, as follows:

Date of issue	Recipient	Type of Security	Number of Securities	Price	Use of funds
15/02/21	The Shares were issued to new and existing institutional investors and high net worth investors, none of whom is a related party of the Company or a Material Investor.	Shares	14,146,743	\$0.65 per Share, representing an 11% discount to closing price on the date of issue	<p>Cash raised: \$9,195,383</p> <p>Cash spent: \$4,000,000</p> <p>Cash remaining: \$5,195,383</p> <p>Use of funds: acquisition of Western Australian facility land (\$4 million).</p> <p>Intended use of remaining funds: enable the Company to execute its next phase of growth by accelerating sales and marketing efforts in Australia and offshore markets; expanding cultivation and manufacturing capacity; and providing general working capital.</p>
29/06/21	The Shares were issued to new and existing institutional investors and high net worth investors, none of whom is a related party of the Company or a Material Investor.	Shares	18,613,500	\$0.60 per Share, representing a 31.8% discount to closing price on the date of issue	<p>Cash raised: \$11,168,100</p> <p>Cash spent: 11,168,100</p> <p>Cash remaining: \$0</p> <p>Use of funds funding of the initial consideration of the acquisition of the Denmark Facility C\$10 million and associated capital raising costs.</p> <p>Intended use of remaining funds: N/A</p>

(g) **Voting exclusion statement**

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

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

6.4 Additional information

Resolution 3 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

7. Resolution 4 – Ratification of issue of Placement Shares

7.1 General

On 22 June 2021, the Company announced that it had received firm commitments for a placement to raise \$27,200,000 (before costs) by the issue of up to 45,333,333 Shares at \$0.60 each (**Placement**). The Placement is comprised of the following tranches:

- (a) 26,719,833 Shares issued using the Company's placement capacity under Listing Rule 7.1; and
 - (b) 18,613,500 Shares issued using the Company's placement capacity under Listing Rule 7.1A,
- (together, the **Placement Shares**).

On 29 June 2021, the Company issued the Placement Shares using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 4(a) and (b) seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

7.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12-month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period. A summary of Listing Rule 7.1A is in Section 6.1.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and the Company's 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12-month period following the issue of the Placement Shares.

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

The effect of Shareholders passing Resolution 4(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% limit set out in Listing Rule 7.1 and the 10% additional placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 4(a) is passed, 26,719,833 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4(b) is passed, 18,613,500 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4(a) is not passed, 26,719,833 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 26,719,833 Equity Securities for the 12 month period following the issue of the Placement Shares.

If Resolution 4(b) is not passed, 18,613,500 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 18,613,500 Equity Securities for the 12 month period following the issue of the Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

7.3 Specific information required by Listing Rule 7.5

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

- (a) The Placement Shares were issued to institutional, sophisticated and professional investors, none of whom is a related party of the Company. The placement participants were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager. The Company notes that 25,000,000 Placement Shares were issued to Hancock Prospecting Pty Ltd under the Placement, who is a substantial Shareholder in the Company and holds approximately 11.3% of the Company's issued share capital as at the date of this Notice.
- (b) The Placement Shares were issued as follows:
 - (i) a total of 26,719,833 Placement Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) a total of 18,613,500 Placement Shares were issued within the Company's 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.

- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 29 June 2021.
- (e) The Placement Shares were issued at \$0.60 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to:
 - (i) the initial consideration for the Denmark acquisition;
 - (ii) capital expenditure works to permit scaling of the Denmark Facility to 50% capacity;
 - (iii) the build out of the Company's European sales team; and
 - (iv) working capital requirements.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

7.4 Additional information

Resolution 4(a) and (b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 4(a) and (b).

8. Resolution 5 – Approval to increase Non-Executive Directors' Remuneration

8.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of Directors' fees payable to all of its Non-Executive Directors without the approval of its Shareholders.

Clause 8.8(a) of the Constitution also requires that remuneration payable to the Non-Executive Directors will not exceed the sum determined by the Company in a general meeting from time to time, and the total aggregate fixed sum will be divided between the Non-Executive Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The maximum aggregate amount of fees payable to all of the Non-Executive Directors is currently set at \$300,000, as disclosed in the Company's Prospectus dated 19 December 2019. Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 10.17 and Clause 8.8(a) of the Constitution to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors to \$500,000.

8.2 Rationale for the increase

The maximum aggregate amount of fees proposed to be paid to the Non-Executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies. Further, the Company notes that it is actively pursuing the potential addition of a third independent non-executive director to the Board.

The proposed level of fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new Non-Executive Directors joining the Board;
- (b) remunerates its Non-Executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain Non-Executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 5 is passed, the Company will be able to proceed to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors to \$500,000.

If Resolution 5 is not passed, the Company will not be able to proceed to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors to \$500,000.

8.3 Specific information required by Listing Rule 10.17

Pursuant to and in accordance with Listing Rule 10.17, the following information is provided in relation to the proposed increase to the aggregate amount payable to Non-Executive Directors:

- (a) The Company is proposing to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors by \$200,000.
- (b) The maximum aggregate amount per annum to be paid to all Non-Executive Directors is \$500,000, and includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine 'special exertion' fees paid in accordance with the Constitution, or Securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with Shareholder approval.
- (c) In the past three years, the Company has issued Equity Securities to the current Non-Executive Directors (or their nominees) pursuant to Listing Rules 10.11 and 10.14 as follows:

Non-Executive Director	Shareholder Approval (Listing Rule)	Equity Securities	Number of Securities	Date of issue
Michael Lynch-Bell	Listing Rule 10.14	Share Rights	150,917	17 December 2020
			300,000	17 December 2020
			70,000	7 September 2021
	N/A	Shares (issued on exercise of Share Rights)	82,826	12 March 2021
Dr Neale Fong	Listing Rule 10.14	Share Rights	75,458	17 December 2020
			150,000	17 December 2020
			35,000	7 September 2021
	N/A	Shares (issued on exercise of Share Rights)	41,413	12 March 2021

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

8.4 Board Recommendation

Resolution 5 is an ordinary resolution.

The Board (other than Michael Lynch-Bell and Dr Neale Fong who each have a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Renewed approval of Employee Securities Incentive Plan

9.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

The Company is seeking a "fresh" approval under Listing Rule 7.2 exception 13(b) to increase the maximum number of equity securities it can issue under the Plan. The Company is seeking approval under Resolution 6 for the issue of up to 11,797,087 Equity Securities under the Plan (**Plan Limit**). The effect of Shareholders passing Resolution 6 will be to allow the Company to issue Equity Securities up to 5% of its issued capital as at the date of this Notice over a period of three years from the date of the Meeting, utilising Listing Rule 7.2 exception 13(b).

The Company previously sought and obtained Shareholder approval at its 2020 annual general meeting for the issue of up to a maximum of 10,000,000 Equity Securities under the Plan. Other than increasing the maximum number of Equity Securities the Company can issue under the Plan utilising Listing Rule 7.2 exception 13(b), the Company confirms that there are no other material changes to the terms of the Plan.

The Company has sought to seek a fresh approval under Listing Rule 7.2 exception 13(b) to increase the maximum number of Equity Securities it can issue under the Plan because:

- (a) the previous issues of Share Rights to Directors and Employees of the Company under the Plan in lieu of salary as a cash saving measure due to the impact of COVID-19, do not adequately reflect the true purpose of the ESIP which is to:
 - (i) assist in the reward, retention and motivation of eligible participants;
 - (ii) link the reward of eligible participants to Shareholder value creation; and
 - (iii) align the interests of eligible participants with shareholders of the Group by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities;
- (b) in connection with the Denmark acquisition (refer to the Company's announcement 22 June 2021), the Company may seek to incentivise its European sales team and employees in Denmark at the Denmark Facility.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12-month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

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

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 6 is passed, the Company will be able to issue up to a maximum of 11,797,087 Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

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

If Resolution 6 is not passed, the Company will continue to issue Equity Securities under the Plan up to the prior approved limit of 10,000,000 Equity Securities. Any issues of Equity Securities under the Plan above this limit will be made either with Shareholder approval under Listing Rule 7.1 or, in default of Shareholder approval, pursuant to the Company's placement capacity under either or both Listing Rules 7.1 and 7.1A.

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

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

- (a) A summary of the material terms of the Plan is in Schedule 2.
- (b) Since the Plan was last approved by Shareholders on 26 November 2020, the Company has issued the following Equity Securities under the Plan:

Issue date	Equity Security	Number of Equity Securities
17 December 2020	Shares	108,360 Shares issued to a former employee under the Plan
17 December 2020	Share Rights	<p>456,607 Share Rights issued to Directors in lieu of salary (as approved by Shareholders at Company's FY2020 Annual General Meeting)</p> <p>450,000 Retention Share Rights issued to Directors (as approved by Shareholders at Company's FY2020 Annual General Meeting)</p>

Issue date	Equity Security	Number of Equity Securities
		750,000 Retention Share Rights issued to management 803,773 Share Rights issued to employees in lieu of salary under the Plan
8 February 2021	Shares	1,008,000 Shares issued to employees under the Plan
12 March 2021	Share Rights	236,744 Share Rights in lieu of salary issued to Directors (as approved by Shareholders at Company's FY2020 Annual General Meeting) 247,666 Shares Rights in lieu of salary issued to employees under the Plan
12 March 2021	Shares	617,893 Shares issued to Directors on concurrent conversion of 12 March 2021 Share Rights and other Share Rights 857,420 Shares issued to employees on concurrent conversion of 12 March 2021 Share Rights and other Share Rights
17 August 2021	Share Rights	562,000 Share Rights issued to employees under the Plan
17 August 2021	Shares	620,000 Shares issued to employees under the Plan
17 August 2021	Performance Rights	3,000,000 Performance Rights issued to Directors (as approved by Shareholders at Company's at the General Meeting on 19 July 2021)
17 August 2021	Performance Rights	1,500,000 Performance Rights issued to key management personnel (as approved by Shareholders at Company's at the General Meeting on 19 July 2021)
6 September 2021	Share Rights	105,000 retention Share Rights issued to Directors (as approved by Shareholders at Company's at the General Meeting on 19 July 2021)

(c) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 6 is 11,797,087 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 5% of the Company's Equity Securities currently on issue.

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

9.4 Additional information

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their personal interests in the outcome of the Resolution.

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

10.1 General

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

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

The Company previously sought and obtained Shareholder approval at its 2020 annual general meeting for the granting of such termination benefits under the Plan. However, as the Company is seeking a fresh approval under Listing Rule 7.2, exception 13(b) at this Meeting (the subject of Resolution 6) to increase the maximum number of Equity Securities the Company may issue under the Plan, the Board has resolved to seek a renewed Shareholder approval for the granting of such termination benefits in accordance with Resolution 7.

If Resolution 7 is not passed, the Company may continue to offer 'termination benefits' to persons who hold a 'managerial or executive office' consistent with the terms of the approval obtained at the Company's 2020 annual general meeting, and subject to the approved plan limit of 10,000,000 Equity Securities.

10.1 Part 2D.2 of the Corporations Act

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

Subject to Shareholder approval of Resolution 6, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

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

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

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

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

10.2 Valuation of the termination benefits

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

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

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

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

10.3 Additional information

Resolution 7 is conditional on the passing of Resolution 6. If Resolution 6 is not approved at the Meeting, Resolution 7 will not be put to the Meeting.

Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their potential personal interests in the outcome of the Resolution.

Schedule 1 Definitions

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

\$	means Australian Dollars.
10% Placement Facility	has the meaning in Section 6.1.
10% Placement Period	has the meaning in Section 6.2(f).
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none"> (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Little Green Pharma Ltd (ACN 615 586 215).
Constitution	means the Constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Denmark Facility	means the world class cannabis GACP cultivation and EU-recognised GMP licensed cannabis production facility located in Denmark. Refer to the Company's announcement of 22 June 2021 for further details.
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Lead Manager	means Canaccord Genuity (Australia) Limited.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above, who received Shares which constituted more than 1% of the Company's capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning in Section 6.2(e).
Notice	means this notice of annual general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Placement	has the meaning in Section 7
Placement Shares	means the 45,333,333 Shares issued under the Placement, the subject of Resolution 4(a) and (b).
Plan	means the Little Green Pharma Ltd Employee Securities Incentive Plan.
Plan Limit	has the meaning in Section 9.1.
Plan Securities	has the meaning in Section 6.1.
Proxy Form	means the proxy form attached to the Notice.
Relevant Period	means the 12-month period immediately preceding the date of the issue or agreement.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.

Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options, Share Rights and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	<p>means a day determined by ASX to be a trading day and notified to market participants being:</p> <ul style="list-style-type: none"> (a) a day other than: <ul style="list-style-type: none"> (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (ii) any other day which ASX declares and publishes is not a trading day; and (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.
VWAP	means the volume weighted average price of Shares traded on ASX.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Summary of Employee Securities Incentive Plan

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

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an 'eligible participant' (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested.

For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

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

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

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

reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

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

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

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



ABN 44 615 586 215

LGP

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
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SAMPLEVILLE VIC 3030

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST) on Saturday, 20 November 2021**.

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

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

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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

By Mail:

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

By Fax:

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



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

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

☐

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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

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

☐

the Chairman
of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Little Green Pharma Ltd to be held as a virtual meeting on Monday, 22 November 2021 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 - 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 - 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 - 7 by marking the appropriate box in step 2.

Step 2

Items of Business

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

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Michael Lynch-Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4a	Ratification of issue of Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4b	Ratification of issue of Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to increase Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Renewed approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of potential termination benefits under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

LGP

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Computershare

