



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

15 October 2021

The Manager
Company Announcements Office
ASX limited
20 Bridge Street
SYDNEY NSW 2000

AGM NOTICE OF MEETING

Enclosed is the following document relating to Clover Corporation Limited, which were mailed to shareholders today:

- Notice of Meeting and Proxy Form for the 2021 Annual General Meeting;

A copy of the 2021 Annual Report has been placed in the 'ASX Announcements' section of the Clover website at the following URL:

<http://www.clovercorp.com.au/en/invest-our-business/asx-announcements/>

Signed for and on behalf of Clover Corporation Ltd

Andrew Allibon

Company Secretary



Clover Corporation Limited
ACN 003 622 866

39 Pinnacle Road
Altona North, Victoria, 3025

Telephone + 61 3 8347 5000
Facsimile + 61 3 9369 8900

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Clover Corporation Limited (**Company**) will be held by webcast (see connection details below) on 18 November 2021 at 11:00 am (Melbourne time).

Annual financial and other reports

To receive the Company's financial report, directors' report and auditor's report for the year ended 31 July 2021.

Resolution 1 — Adoption of remuneration report

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

That the remuneration report for the year ended 31 July 2021 be adopted.

Note: The remuneration report is set out on pages 12 to 16 of the Company's 2021 published annual report. The vote on this resolution is advisory only and does not bind the directors of the Company.

Resolution 2 — Re-election of Mr Rupert Harrington as a director

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

That Mr Rupert Harrington, who retires in accordance with article 16 of the Company's constitution and, being eligible, stands for re-election, be re-elected as a director of the Company.

Resolution 3 — Approval of acquisition of FY22 performance rights by Managing Director under long term incentive plan

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

That the acquisition by the Managing Director of up to 140,575 performance rights for the year ending 31 July 2022 (**FY22 performance rights**) in accordance with the Company's long term incentive plan which entitle him to fully paid ordinary shares in the Company for no cash consideration subject to the satisfaction of performance conditions and otherwise on and subject to the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of rule 10.14 of the ASX Listing Rules, and for all other purposes.

Resolution 4 — Approval of certain benefits under the Managing Director's FY22 performance rights

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

That the early vesting of some or all of the Managing Director's FY22 performance rights (and vested entitlement to the underlying shares for no cash consideration) that may arise in certain

circumstances in accordance with the terms of the FY22 performance rights summarised in the explanatory statement accompanying the notice of this meeting, and the benefit to him in consequence of early vesting, be approved for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes.

Resolution 5 — Approval of long term incentive plan

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

That the issue of securities under the Company's long term incentive plan, the terms of which are summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of exception 13 in rule 7.2 of the ASX Listing Rules as an exception to rules 7.1 and 7.1A of the ASX Listing Rules and for all other purposes.

Resolution 6 — Approval to increase non-executive director remuneration aggregate fee limit

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

That the proposed increase of the maximum total aggregate amount of fees and other remuneration payable to all of the non-executive directors of the Company in a financial year from the current \$500,000 to \$750,000, be approved for the purposes of rule 10.17 of the ASX Listing Rules and for all other purposes.

Dated: 15 October 2021

By order of the board

Andrew Allibon

Andrew Allibon
Chief Financial Officer and Company
Secretary

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint not more than two other persons as the member's proxy or proxies, or attorney or attorneys, to attend and vote on behalf of the member.
2. Where two proxies or attorneys are appointed, the appointment is of no effect unless each proxy or attorney, as the case may be, is appointed to represent a specified proportion of the member's voting rights.
3. A proxy need not be a member.
4. A proxy form accompanies this notice. To be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting, namely by 11:00 am (Melbourne time) on Tuesday, 16 November 2021:

(a) at the registered office of the Company, by:

- (1) hand delivery or post to 39 Pinnacle Road, Altona North, Victoria, 3025;

- (2) facsimile on +61 3 9369 8900; or
- (3) email at andrewa@nu-mega.com; or
- (b) at the Company's share registrar, Computershare Investor Services Pty Ltd (**Computershare**), by:
- (1) post to GPO Box 242, Melbourne, Victoria, 3001; or
- (2) facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);

or online through www.investorvote.com.au or by such other electronic means specified in the proxy form.

5. Regulation 7.11.37 determination: A determination has been made by the board of directors of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that those persons who are registered as the holders of shares in the Company as at 7:pm (Melbourne time) on Tuesday, 16 November 2021 will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.
6. **Webcast:** As part of the Australian Government's response to COVID-19, temporary modifications have been made to the Corporations Act which allow companies to hold general meetings virtually i.e. without having to hold the meeting at a physical venue for members or their representatives to attend in person. In light of current public health restrictions relating to the COVID-19 pandemic, and to protect the health and safety of participants, the annual general meeting will be held by webcast through Chorus Call and Lumi. This facility allows members or their representatives to view and listen to live proceedings (including viewing visual presentations), ask questions via a live text facility and vote in real time using a computer, mobile phone or other device with access to the internet. Details about how to join and participate in the webcast are set out below:

To join the webcast and view and listen to proceedings enter the following URL in the device browser:

<https://ccmediaframe.com/?id=wuf2LCZ4>

To vote, please follow the steps below to register for voting as soon as possible:

Please note members (or their representatives) will need to login using their details (including SRN or HIN) to be verified as a member (or member's representative). Proxies will need login details provided by Computershare. It is recommended that proxies call the Computershare call centre (+61 3 9415 4024) during the registration period which will open 1 hour before the start of the meeting to ensure efficient registration voting.

Step 1: Visit <https://web.lumiagm.com/326338381>

Step 2: Enter username (SRN or HIN) and password (postcode or country code).

Step 3: When the poll is open, the vote icon  will be accessible by selecting the voting icon at the top of the screen.

Step 4: Select the voting option (For/Against/Abstain) for each resolution.

A message will appear at the top of the screen indicating the number of resolutions that have been voted on.

Voting on the proposed resolution will be conducted by poll.

More information on how to use the online voting platform is explained at:

<https://www.computershare.com.au/onlinevotingguide>

Meeting: Clover Corporation Limited
Meeting ID: 326-338-381

Voting exclusion statement:

The Company will disregard:

1. any votes cast on resolution 1 (adoption of remuneration report) by or on behalf of a member (**KMP Member**) of the key management personnel for the consolidated entity of which the Company is part (details of whose remuneration are included in the remuneration report, and includes each director of the Company), or a closely related party of a KMP Member;
2. any votes cast in favour of resolution 3 (approval of acquisition of FY22 performance rights by Managing Director under long term incentive plan):
 - (a) by or on behalf of the Company's Managing Director, Mr Peter Davey, or an associate of his;
 - (b) by or on behalf of any other director of the Company who is eligible to participate in the long term incentive plan in respect of which approval of the Managing Director's participation is sought, or an associate of a director; or
 - (c) by a person appointed as a proxy if the person is either a KMP Member, or a closely related party of a KMP Member, and the appointment does not specify the way the proxy is to vote on the resolution;
3. any votes cast on resolution 4 (approval of certain benefits under the Managing Director's FY22 performance rights):
 - (a) by or on behalf of Mr Davey or an associate of his; or
 - (b) by a person appointed as a proxy if the person is either a KMP Member or a closely related party of a KMP Member, and the appointment does not specify the way the proxy is to vote on the resolution;
4. any votes cast in favour of resolution 5 (approval of long term incentive plan) by or on behalf of a person eligible to participate in the long term incentive plan or an associate of such a person; or
5. any votes cast in favour of resolution 6 (approval to increase non-executive director remuneration aggregate fee limit):
 - (a) by or on behalf of a director of the Company or an associate of a director of the Company; or
 - (b) by a person appointed as a proxy if the person is either a KMP Member, or a closely related party of a KMP Member, and the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote in relation to resolution 1 or 4 if it is cast by:

1. a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
2. the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides (and the appointment expressly authorises the chair to vote in accordance with a direction on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the

remuneration of a KMP Member), **provided that** in case of resolution 4 the person chairing the meeting is not Mr Davey or his associate;

and the Company need not disregard a vote cast in favour of resolution 3, 5 or 6 if it is cast by:

1. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
2. 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
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided:
 - (a) 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
 - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman of the Company, if he chairs the meeting as expected, intends to vote undirected proxies held by him in favour of each resolution. Please refer to the proxy form accompanying this notice of meeting for more information.



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ANNUAL GENERAL MEETING EXPLANATORY STATEMENT

1. General information

This explanatory statement is dated 15 October 2021. It is an important document and should be read carefully. It comprises part of, and should be read in conjunction with, the notice of annual general meeting of Clover Corporation Limited (**Clover** or **Company**) to be held on Thursday, 18 November 2021.

If you do not understand its contents or are not sure what to do, you should consult your stockbroker or other professional adviser.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of annual general meeting), you may contact the Company Secretary, Andrew Allibon, by telephone or facsimile on the above numbers, or the Company's share registrar, Computershare Investor Services Pty Ltd, by telephone:

1300 850 505 (within Australia)

+61 3 9415 4000 (outside Australia)

between 8:30 am and 5:00 pm (Melbourne time) Monday to Friday (except public holidays).

2. Resolution 1 — Adoption of remuneration report

There will be an opportunity for shareholders at the annual general meeting (**AGM**) of the Company to comment on and ask questions about the remuneration report, which appears on pages 12 to 16 of the Company's 2021 published annual report.

An electronic copy of the Company's 2021 annual report is available on the Company's website at www.clovercorp.com.au.

The vote on the proposed resolution adopting the remuneration report is advisory only and will not bind the Company or its directors. However, the board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy and practices.

The *Corporations Act 2001* (Cth) (**Corporations Act**) contains a 'two strikes' rule in relation to remuneration reports. Briefly, if at two consecutive AGMs 25% or more votes are cast against the resolution that the Company's remuneration report be adopted, a 'spill resolution' must be put to the vote at the second AGM. The spill resolution is that another meeting of the Company's shareholders be held within 90 days to consider the appointment of new directors in place of those directors (other than the managing director) who were directors at the time the board resolution was passed to make the directors' report (in which the remuneration report was included).

At the Company's 2020 AGM, less than 25% of votes were cast against the resolution that the remuneration report be adopted. Accordingly, there is no requirement to allow for a possible spill resolution at this year's AGM.

Board recommendation:

In view of the nature and purpose of resolution 1, the directors make no recommendation as to how shareholders vote on this resolution.

3. Resolution 2 — Re-election of Mr Rupert Harrington as a director

Article 16.1(a) of the Company's constitution states that at each AGM of the Company one-third of the directors (other than the managing director) of the Company must retire from office. Further article 16.2(a) states that a director (other than the managing director) must retire from office no later than the third AGM following his or her last election or appointment by a general meeting.

A retiring director is eligible to stand for re-election.

In accordance with these requirements, Mr Rupert Harrington retires by rotation at this year's AGM and, being eligible, stands for re-election.

Mr Harrington has been a non-executive director of the Company since 1 July 2015 and was appointed to the office of Chairman of the Company on 21 September 2017.

Mr Harrington is an experienced company director with over 30 years as a Non-Executive Director of companies operating in sectors including: health, technology, industrial services and manufacturing.

Mr. Harrington is Non-Executive Director of Pro Pac Packaging (ASX: PPG) and Integral Diagnostics (ASX: IDX).

Mr Harrington holds a Bachelor of Technology and a Masters of Business Management from Bradford University and a Certified Diploma in Accounting and Finance from Manchester University. He is also a member of the Australian Institute of Company Directors.

Board recommendation:

The directors (other than Mr Harrington) recommend that shareholders vote in favour of resolution 2.

4. Resolution 3 — Approval of acquisition of FY22 performance rights by Managing Director under long term incentive plan

Under the Company's long term incentive plan, the Company has issued to its Managing Director, Mr Peter Davey, the following performance rights, which at the date of this explanatory statement are outstanding:

- 103,965 performance rights for the year ended 31 July 2020 (**FY20 performance rights**).
- 109,062 performance rights for the year ended 31 July 2021 (**FY21 performance rights**).

The Company proposes to issue Mr Davey a further 140,575 performance rights for the year ending 31 July 2022 (**FY22 performance rights**) under the long term incentive plan.

The proposed terms of these FY22 performance rights are summarised below:

Nature of performance rights	Each FY22 performance right entitles Mr Davey to acquire 1 fully paid ordinary share in the company for no cash consideration, subject to the satisfaction of certain performance conditions (and subject to adjustment for bonus issues, rights offers and other share capital reconstructions)
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Performance conditions	The FY22 performance rights are subject to the satisfaction of the following performance conditions: 1. <u>Financial Performance Hurdle</u> For up to 50% of the performance rights, the performance condition is based on the company's earnings per share¹ growth over the three year period from the start of financial year at 1 August 2021 (FY22) until the financial year ending 31 July 2024 (FY24). A threshold growth rate of 5% pa compound over the three years would deliver 10% of the rights, increasing linearly to achieve the maximum of 50% of the performance rights upon achieving 15% compound growth. <u>2.Strategic Growth Performance Hurdle</u> For up to 50% of the performance rights the performance condition is based on achieving longer term strategic growth of the business. This is growth via an acquisition and/or licensing, joint venture or other arrangement that significantly broadens the Company's access to markets, customers, products, oils sources, refining and/or powders by FY24. It may also include certain strategic transactions having been initiated which are expected to achieve significant growth and benefit and these benefits having been partially but not fully realised by FY24. Where the board determines that the performance condition for any FY22 performance rights has not been satisfied, those rights will not be able to be exercised and will cease to exist once the board makes its determination. Where the board determines that the performance condition for any FY22 performance rights has been satisfied, the Company is required to notify Mr Davey in writing, and once notified those performance rights 'vest' and Mr Davey will be entitled to exercise them at any time during their exercise period. The board is required to make these determinations when the relevant data is available.
Consideration	No cash consideration is payable for the issue of the FY22 performance rights and no cash consideration is payable to acquire the shares underlying the FY22 performance rights.
Exercise period	The exercise period of 'vested' FY22 performance rights starts when Mr Davey is notified of the board's determination that the relevant performance conditions have been satisfied (after 31 July 2024) and ends on 31 July 2025.
Continuing employment	All of Mr Davey's FY22 performance rights will lapse and terminate upon him ceasing to be an employee of the Clover group except to the extent noted below: If Mr Davey ceases to be an employee of the Clover group after the 1st anniversary of the date of issue of his FY22 performance rights due to redundancy, illness, disability or death but before any have vested, the board may early test the performance conditions as at Mr Davey's leaving date and, if the board decides a performance condition as tested has been satisfied, the board may allow a

	proportion of the relevant performance rights to be retained on the basis they must be exercised within 6 months. • If Mr Davey ceases to be an employee of the Clover group in any other circumstances before any of his FY22 performance rights have vested, the board has a broad discretion to waive any performance conditions of the performance rights, vest any of the performance rights early and/or allow any of the performance rights to be retained. • Where Mr Davey ceases to be an employee of the Clover group after any of his FY22 performance have vested, he will retain the vested performance rights but will only have 6 months to exercise them if the exercise period would otherwise end later.
Adjustment	Where the share capital of the Company is reorganised or there is a bonus issue of shares to shareholders, the terms of the FY22 performance rights will be adjusted commensurately.
Satisfaction of share entitlement	The Company may satisfy any entitlement to shares underlying the FY22 performance rights by issuing the shares, arranging to buy them on-market, arranging to have them transferred from the company's employee share ownership trust or otherwise.

Approval for the purposes of rule 10.14 of the ASX Listing Rules

Under rule 10.14 of the ASX Listing Rules, shareholder approval is required in order for a director (such as Mr Davey) to acquire securities under an employee incentive scheme, subject to a number of exceptions which are set out in rule 10.16.

Furthermore, under rule 7.1 of the ASX Listing Rules, a listed company must not issue or agree to issue more than 15% of its issued share capital in 12 months without shareholder approval, unless an exception in rule 7.2 applies. Exception 14 in rule 7.2 applies to an issue of securities made with shareholder approval under rule 10.14. Accordingly, if shareholders approve the issue of FY22 performance rights to Mr Davey by passing resolution 3, the Company will be able to issue the FY22 performance rights without reducing the Company's 15%/12 month capacity under rule 7.1.

Additional information

A notice of meeting to obtain shareholder approval under rule 10.14 must comply with rule 10.15 of the ASX Listing Rules. The following additional information is provided for that purpose:

- (a) Mr Davey is a director of the Company and is therefore prohibited under rule 10.14.1 of the ASX Listing Rules from obtaining securities under an employee incentive scheme without shareholder approval, unless an exception applies.
- (b) The Company is seeking shareholder approval to issue 140,575 FY22 performance rights to Mr Davey.
- (c) Mr Davey's total remuneration package for FY22 is:
 - (1) base salary \$488,638 (inclusive of superannuation);
 - (2) discretionary cash bonus of up to 50% of his base salary as part of his short term incentive arrangements; and
 - (3) subject to shareholder approval of resolution 3, 140,575 FY22 performance rights.
- (d) At the date of this explanatory statement, Mr Davey holds 213,027 performance rights in total, which if all vested at the date of this explanatory statement would entitle him to

213,027 fully paid ordinary shares in the Company, subject to any adjustment event. In addition, Mr Davey has previously been issued 1,125,413 performance rights for no cash consideration in relation to the years ended 31 July 2017, 31 July 2018 and 31 July 2019. Some of these performance rights vested and were exercised by Mr Davey, while others did not vest and in consequence lapsed.

- (e) A summary of the material terms of the FY22 performance rights is set out above. The directors of the Company consider that the performance rights (which are contractual rights to receive shares if certain performance conditions are met) are an appropriate form of incentive to motivate and retain the Company's senior management. They are cost efficient and an effective reward for delivering results and creating commonality of purpose between senior management and the Company.
- (f) The Company attributes a face value opportunity of \$244,319 to the FY22 performance rights to be issued to Mr Davey. This value has been calculated by multiplying the total number of FY22 performance rights (i.e. 140,575 performance rights) by \$1.738 being the volume weighted average price of the ordinary shares in the Company on ASX over the 10 trading days ending immediately before the start of the performance period i.e. FY22. The actual value Mr Davey will receive (if any) will depend on the extent to which the performance conditions are satisfied.
- (g) Rule 10.15 requires that the date of issue of the performance rights must be no later than 3 years after the date of the annual general meeting. This requirement will be satisfied as the FY22 performance rights will be issued as soon as practicable following the annual general meeting of shareholders if shareholders pass resolution 3.
- (h) No cash consideration has been paid or is payable for the issue of the FY22 performance rights and no cash consideration is payable to acquire the shares underlying the FY22 performance rights.
- (i) A summary of the terms of the Company's long term incentive plan is set out in section 6 below.
- (j) No loan has been given by the Company in relation to the performance rights under the plan.
- (k) Details of the performance rights and other securities issued under the Company's long term incentive plan that require the approval of shareholders under rule 10.14 of the ASX Listing Rules will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval of the issue was obtained under rule 10.14.
- (l) Any additional persons covered by rule 10.14 of the ASX Listing Rules who become entitled to participate in an issue of securities under the Company's long term incentive plan after resolution 3 is passed and who were not named in the notice of annual general meeting (which includes this explanatory statement) or who are named and for whom participation requires shareholder approval under rule 10.14, will not participate until that approval is obtained.

If resolution 3 is not passed, the Company will not be able issue the FY22 performance rights to Mr Davey as planned and, accordingly, would consider alternative long term incentive arrangements for Mr Davey that would not involve an issue of securities.

Board recommendation:

The directors (other than Mr Davey) recommend that shareholders vote in favour of resolution 3.

5. Resolution 4 — Approval of certain benefits under Managing Director's FY22 performance rights

Section 200B of the Corporations Act prohibits a company from providing a benefit to an employee in a managerial or executive office in connection with his or her retirement from, or other cessation of, office unless:

- (a) the benefit is given in certain circumstances and the value of the benefit, when added to the value of all other leaving benefits, does not exceed the average annual base salary the employee received from the company during the last 3 years he or she held the managerial or executive office; or
- (b) the giving of the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

As noted in section 4 above, some or all Mr Davey's FY22 performance rights may be able to be exercised early where Mr Davey ceases to be an employee of the Clover group in certain circumstances. In particular, if:

- (c) Mr Davey ceases to be an employee of the Clover group after the 1st anniversary of the date of issue of the relevant performance rights due redundancy, death, disability or illness before any have vested, the board may early test the performance conditions as at Mr Davey's leaving date and, if the board decides a performance condition as tested has been satisfied, the board may allow a proportion of the relevant performance rights to be retained on the basis they must be exercised within 6 months.
- (d) Mr Davey ceases to be an employee of the Clover group in any other circumstances before relevant performance rights have vested, the board (before Mr Davey ceases employment) has a broad discretion to waive any performance conditions of the performance rights, vest any of the performance rights early and/or allow any of the performance rights to be retained.

The board expects Mr Davey to continue as Managing Director of the Company for the foreseeable future. However, were he to cease in that role, the directors would like to be able to exercise their discretion to allow for the potential early vesting of Mr Davey's performance rights in the limited circumstances permitted under the Company's long term incentive plan rules.

Accordingly, shareholder approval is being sought under section 200E of the Corporations Act to allow the Company to give to Mr Davey the benefit resulting from this early 'vesting' of his FY22 performance rights, should his employment end in certain circumstances.

While it is currently impossible to specify the exact value of the benefit to Mr Davey due to the early vesting of FY22 performance rights, that value will essentially be the intrinsic value of the shares underlying the vested FY22 performance rights at the time they are acquired by Mr Davey, which will, or is likely to, be affected by a number of factors including the reason and timing for the cessation of employment, the exercise of the board's discretion (where relevant), the future operating and financial performance of the Company, and market price of the shares, at the relevant time.

Board recommendation:

The directors (other than Mr Davey) recommend that shareholders vote in favour of resolution 4.

6. Resolution 5 – Approval of long term incentive plan

In August 2016, the board of directors of the Company adopted a long term incentive plan for its directors, senior executives, employees and others who work for the Company.

The purpose of the plan is to provide an equity based reward for enhanced performance that is aligned with the long term interests of the Company's shareholders. The board considers the plan to be an important component in promoting sustainable returns and ensuring the Company has in place a remuneration package that is market-competitive.

The plan provides for the grant of rights (**performance rights**) to acquire fully paid ordinary shares in the Company if certain performance conditions are satisfied.

A summary of the terms of the plan is outlined below:

Eligible person	A person is eligible to participate in the plan if he or she is a full-time or part-time employee, a non-executive director, a contractor, or a casual employee of the Company, its subsidiary or any other body corporate nominated by the Company, or a person who may become such an employee, director or contractor.
Invitation	The board may from time to time nominate any eligible person to participate in the plan and determine the number of performance rights to be offered to that person. An invitation to participate in the plan may: • be made by the board at any time; • be in any form; and • be on any conditions or subject to any restrictions, as the board decides.
Acceptance of Invitation	An invitation may be accepted by an eligible person or, with the board's permission, in the name of an associate of the eligible person.
5% issue limit	The Company must not make an invitation to an eligible person under the plan, if: • the number of ordinary shares that could be issued in respect of all performance rights outstanding under the plan; plus • the number of ordinary shares issued during the previous 3 years under any employee share plan to which ASIC relief has applied; • would exceed 5% of the total number of shares on issue on that day, or any other limit specified in any instrument or class order issued by the Australian Securities and Investments Commission applicable to the plan.
Performance conditions	An invitation must specify the performance conditions that apply to the • performance rights, which may include: the period over which the performance condition will be assessed (this period must not be more than 10 years from the grant date of the performance right); • the standard against which the performance condition will be measured (which may include share price or an earnings per share measure); • the manner in which a performance condition will be assessed; and • the time at which the performance right will expire.
Board discretion	The board will determine whether or not a performance condition in respect of some or all of a participant's performance rights have been satisfied and may at any time, by written notice to the participant, vary or waive a performance condition applicable to the participant's performance right.

Exercise of performance rights	If a participant is notified that the performance conditions in relation to the participant's performance rights have been satisfied, the participant may exercise the vested performance rights by giving written notice to the Company before their expiry date (if any). Unless the participant exercises all of the vested performance rights, the number of vested performance rights exercised must be in multiples of 1,000.
Lapsing of performance rights	A performance right may lapse upon the happening of various events including an applicable performance condition not being satisfied within the relevant assessment period (unless the board waives the condition), a purported transfer of a performance right to another person (unless the board approves the transfer) or the participant ceasing to be an eligible person (subject to the exception below).
Trust	The Company may establish a discretionary trust to subscribe for or purchase ordinary shares, so that ordinary shares in the Company can be transferred to participants in the plan upon exercise of their vested performance rights.
Continuing Employment or other engagement	Performance rights awarded to a participant will lapse and terminate upon the participant ceasing to be an eligible person except to the extent noted below: • If the participant ceases to be an eligible person after the 1st anniversary of the date of issue of the participant's performance rights due to redundancy, illness, disability or death but before any have vested, the board may early test the performance conditions as at the participant's leaving date and, if the board decides a performance condition as tested has been satisfied, the board may allow a proportion of the relevant performance rights to be retained on the basis they must be exercised within 6 months. • If the participant ceases to be an eligible person in any other circumstances before any of the participant's performance rights have vested, the board (before the participant ceases to be an eligible person) has a broad discretion to waive any performance conditions of the performance rights, vest any of the performance rights early and/or allow any of the performance rights to be retained. Where the participant ceases to be an eligible person after the performance rights have vested, the participant will retain the vested performance rights but will only have 6 months to exercise them if the exercise period would otherwise end later.
Change of control	Unless the board determines otherwise, if: • a takeover bid is announced for all of the ordinary shares in the Company and the board becomes aware that a person has acquired or will acquire voting power in more than 25% of the ordinary shares in the Company; • the board becomes aware that a person has acquired or will acquire voting power in more than 25% of the ordinary shares in the Company; or • the board forms the view that the replacement of the majority of the board is imminent, due to a person acquiring voting power in more than 25% of the ordinary shares of the Company, the performance conditions applicable to all outstanding unvested performance rights will be measured and assessed as at the date of

	the relevant event, as if that date had been specified as the date in the invitation for measuring and assessing whether performance conditions had been satisfied.
Adjustment	Where there is a bonus issue of ordinary shares to the Company's shareholders, holders of performance rights that exercise those rights will be provided with additional ordinary shares equal to the number of bonus shares they would have been entitled to receive if the performance rights had been exercised before the record date for the bonus issue. Where there is a rights offer of ordinary shares to the Company's shareholders or the share capital of the Company is otherwise reconstructed, the terms of the performance rights will be adjusted in the manner the Company determines having regard to the ASX Listing Rules.
Administration and Amendment	The plan is administered by the board. Further, the board may amend, add to or waive any rule of the plan or any restriction or other condition relating to any performance rights granted under the plan, subject to the ASX Listing Rules.

Approval for the purpose of exception 13 in rule 7.2 of the ASX Listing Rules

As noted above, under rule 7.1 of the ASX Listing Rules, a listed company must not issue or agree to issue more than 15% of its issued share capital in 12 months without shareholder approval, unless an exception in rule 7.2 applies. Exception 13 in rule 7.2 applies to an issue of securities under an employee incentive scheme where not more than 3 years beforehand shareholders approved the issue of securities under the scheme. Accordingly, if shareholders approve the issue of securities under the Company's long term incentive plan by passing resolution 5, the Company will be able to issue securities under the plan over the following 3 years without using up the Company's 15%/12 month capacity under rule 7.1.

If resolution 5 is not passed, any performance rights issued under the long term incentive plan will reduce the Company's available capacity under rule 7.1 to issue equity securities without shareholder approval.

The plan was previously approved by resolution of shareholders passed at the Company's annual general meeting held on 23 November 2018, approximately 3 years ago. At that time, the plan was approved for the purposes of then exception 9 of rule 7.2 of the ASX Listing Rules, which is equivalent to exception 13 of the current version of rule 7.2 of ASX Listing Rules.

Clover has issued 490,858 performance rights under the Company's long term incentive scheme since it was previously approved for the purposes of exception 9 of rule 7.2.

The maximum number of equity securities proposed to be issued under the long term incentive plan within the next 3 years after the passing of resolution 6 is 560,030 performance rights, which if converted into ordinary shares would amount to approximately 0.3% of the shares on issue in the Company at the date of this explanatory statement. This amount includes a total of 257,964 performance rights issued, or proposed to be issued, for FY22.

Board recommendation:

The directors recommend that shareholders vote in favour of resolution 5.

7. Resolution 6 — Approval to increase non-executive remuneration aggregate fee limit

The Company proposes to increase the maximum total aggregate amount of fees and other remuneration payable to all of the non-executive directors of the Company in a financial year by \$250,000, from \$500,000 to \$750,000. The reasons for the proposed increase are as follows:

- The current aggregate annual non-executive remuneration limit of \$500,000 was set at the Clover annual general meeting in November 2011.
- At that time the Company had net assets of \$28 million and a market capitalisation of \$95 million.
- Since November 2011, the Company has increased considerably in size, scale and complexity to have net assets of \$58.4 million and a market capitalisation of \$238 million (as at 16 September 2021).
- The business continues to develop new products and is looking at horizontal expansion into new markets outside the original focus on infant milk formula.
- The Company will need to attract new directors with the necessary skills to support this expansion.
- The proposed increase will provide sufficient scope for possible expansion of the board of directors, succession planning and ongoing flexibility; and allow for the board to set fees considering the future workload of non-executive directors.

In the past 3 years, the Company has not issued any securities to any non-executive directors under rule 10.11 or 10.14.

Approval for the purposes of rule 10.17 of the ASX Listing Rules

Under rule 10.17 of the ASX Listing Rules, shareholder approval is required in order for the Company to increase the total aggregate amount of directors' fees payable to all its non-executive directors.

The Company has no current plans for any significant change to non-executive director remuneration. Any specific increase for non-executive directors in future years will be a result of alignment with market conditions and independent review.

Accordingly, if shareholders approve the increase by passing resolution 6, the Company will be able to pay its non-executive directors fees and other remuneration in a financial year up to \$750,000 in the aggregate.

If resolution 6 is not passed, the current aggregate annual non-executive remuneration limit of \$500,000 would remain in place. In consequence, the Company may be restricted in the possible expansion of the board of directors, succession planning and ongoing flexibility to deal with future workloads associated with changes in market conditions and expansion.

Board recommendation:

Given the interest of non-executive directors in this matter, the directors make no recommendation regarding resolution 6.

Need assistance?



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



Online:
www.investorcentre.com/contact

CLV

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

Clover Corporation Limited Annual General Meeting

The Clover Corporation Limited Annual General Meeting will be held on Thursday, 18 November 2021 at 11:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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

For your proxy appointment to be effective it must be received by 11:00am (AEDT) on Tuesday, 16 November 2021.



ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit <https://ccmediaframe.com/?id=wuf2LCZ4>

To vote online during the meeting you will need to visit web.lumiagm.com/326338381

For instructions refer to the online user guide www.computershare.com.au/onlinevotingguide

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Need assistance?



Phone:
1300 855 080 (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 **11:00am (AEDT) on Tuesday, 16 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 Clover Corporation Limited hereby appoint

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Clover Corporation Limited to be held as a virtual meeting on Thursday, 18 November 2021 at 11:00am (AEDT) 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, 3, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3, 4, 5 and 6 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, 3, 4, 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of remuneration report	☐	☐	☐
Resolution 2 Re-election of Mr Rupert Harrington as a Director	☐	☐	☐
Resolution 3 Approval of acquisition of FY22 performance rights by Managing Director under long term incentive plan	☐	☐	☐
Resolution 4 Approval of certain benefits under the Managing Director's FY22 performance right	☐	☐	☐
Resolution 5 Approval of long term incentive plan	☐	☐	☐
Resolution 6 Approval to increase non-executive director remuneration aggregate fee limit	☐	☐	☐

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)

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

Mobile Number

Email Address

CLV

280968A



Computershare





CLOVER
CORPORATION

Clover Corporation Limited
ABN 85 003 622 866

CLVRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Clover Corporation Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Clover Corporation Limited