



**SCHROLE GROUP LTD
ACN 164 440 859**

Notice of Annual General Meeting

**The General Meeting of the Company will be held at
10am on Friday, 24th July 2020 at 10am (WST) at Ground Floor, 142 Hasler
Road, Osborne Park, Western Australia**

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 accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 9482 0500.**

Schrole Group Limited
ACN 164 440 859
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Schrole Group Limited will be held at Ground Floor, 142 Hasler Road, Osborne Park, Western Australia on Friday, 24th July 2020 at 10am WST (**Meeting**).

In holding the meeting later than 31 May 2020, the Company is relying on the Australian Securities and Investments Commission's (ASIC) public "no-action" position advice that was recently published, under which ASIC advised that it will take no action if a company postpones its AGM (which is usually required to be held by 31 May 2020) by up to two months to no later than 31 July 2020.

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.

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 as Shareholders on Wednesday, 22nd July 2020 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2019, which includes the Financial Report, the Directors' Report and the Auditor's 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.'

Resolution 2 – Election of Director - Mr James King

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

'That, in accordance with Rule 3.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr James King, a Director who was appointed on 29 November 2019, retires and,

being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Re-election of Director - Mr Stuart Carmichael

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

'That Mr Stuart Carmichael, who retires in accordance with Rule 3.6 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 4 – 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 5 – Renewed Approval of Employee 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 approve the existing employee incentive scheme of the Company known as the "Schrole Group Ltd Employee Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Renewal of Proportional Takeover Bid Approval Provisions

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 sections 648G(4) and 136(2) of the Corporations Act and for all other purposes, Shareholders approve the Company modifying its Constitution by renewing the proportional takeover bid approval provisions contained in Rule 36 of the Constitution for a period of three years from the date of approval of this Resolution.'

Resolution 7- Approval to issue Share Rights to Employees

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 Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Share Rights to the Employees (or their respective nominees) in lieu of up to 15% of an Employee's salary on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval to issue Share Rights to Mr Robert Graham

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

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 983,355 Share Rights to Mr Robert Graham (or his nominee) 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 4, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, 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 associate of those persons;
- (b) Resolution 5, by or on behalf of a person who is eligible to participate in the employee incentive plan, or any of their respective associates;
- (c) Resolution 7 by or on behalf of the Employees (or their respective nominees) and any person 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; and
- (d) Resolution 8 by or on behalf of Mr Robert Graham who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), 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; or
- (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.

Shares held by or for an employee incentive plan must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the plan; the nominated participant is not excluded from voting on the Resolution

under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

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 and Resolution 8: In accordance with section 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.

BY ORDER OF THE BOARD

Brett Tucker
Company Secretary
Schrole Group Ltd
Dated: 24 June 2020

Schrole Group Ltd
ACN 164 440 859
(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 at Ground Floor, 142 Hasler Road, Osborne Park, Western Australia on Friday, 24th July 2020 at 10am 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 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Election of Director - Mr James King
Section 6	Resolution 3 – Re-election of Director - Mr Stuart Carmichael
Section 7	Resolution 4 – Approval of 10% Placement Facility
Section 8	Resolution 5 – Renewed Approval of Employee Incentive Plan
Section 9	Resolution 6 – Renewal of Proportional Takeover Bid Approval Provisions
Section 10	Resolution 7 - Approval to issue Share Rights
Section 11	Resolution 8– Approval to issue Share Rights to Mr Robert Graham
Schedule 1	Definitions
Schedule 2	Summary of Employee Incentive Plan
Schedule 3	Rule 36 of the Constitution (Proportional Takeover Bid Approval)

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

2. **Action to be taken by Shareholders**

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

2.1 **Voting in person**

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 **Voting by proxy**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Proxy vote if appointment specifies way to vote:-

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances:-

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;

- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 **Chair's voting intention**

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1, 5 and 8 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at btucker@ventnorcapital.com by 5pm WST on 22nd July 2020.

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. Shareholders are limited to a maximum of two questions each (including any submitted in advance of 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 and subject to the instructions set out in this Notice, 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 31 December 2019.

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://schrolegroup.com/>;
- (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.

4. Resolution 1 – Remuneration Report

In accordance with subsection 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 subsection 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 2019 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 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.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Election of Director - Mr James King

5.1 General

Rule 3.3 of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Rule 3.3(a) of the Constitution, any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for election by Shareholders under Rule 3.4 of the Constitution.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 29 November 2019, Mr James King was appointed as a Non-Executive Director of the Company.

Accordingly, Mr King resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 2.

If elected, the Board considers Mr James King to be an independent Director.

5.2 Mr James King

Mr King has over 31 years' experience as a Director and a Senior Executive in major multinational corporations in Australia and internationally. He was previously with Foster's Group Limited as Managing Director Carlton & United Breweries and Managing Director Foster's Asia. Prior to joining Foster's, he spent six years in Hong Kong as President of Kraft Foods (Asia Pacific). Previously Mr King was a Director of ASX listed JB Hi-Fi Ltd, Trust Company Ltd, Navitas Ltd, Pacific Brands Ltd and Tattersalls Ltd. Mr King also served as a member of the Council of Xavier College and Chairman of Juvenile Diabetes Research Foundation (Victoria).

Mr King has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Mr King) recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Director - Mr Stuart Carmichael

6.1 General

Rule 3.6 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third). Rule 3.7 of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Rule 3.7 of the Constitution provides that a Director who retires in accordance with Rule 3.6 is eligible for re-election.

As at the date of this Notice, the Company has four Directors and accordingly, one Director must retire.

Non-Executive Director Mr Stuart Carmichael was last elected at the annual general meeting held on 13 September 2017 and has held office the longest since being last elected. Accordingly, Mr Stuart Carmichael retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 3.

If elected, the Board considers Mr Stuart Carmichael to be an independent Director.

6.2 Mr Stuart Carmichael

Mr Carmichael is a Chartered Accountant with over 20 years of experience in the provision of corporate advisory services both within Australia and internationally. Mr Carmichael is a principal and director of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, initial public offerings, corporate restructures and mergers and acquisitions.

6.3 Board recommendation

Resolution 3 is an ordinary resolution.

The Board (other than Mr Carmichael) recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Approval of 10% Placement Facility

7.1 General

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, 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 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(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 7.2(c) below).

If Resolution 4 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 4 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 set out in Listing Rule 7.1.

7.2 **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 \$15 million, based on the closing price of Shares \$0.015 on 23 June 2020.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 4 will no longer be effective and will be withdrawn.

(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.

(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 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12 month period; or
 - 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 7.4;
- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:
 - the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
- (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) less the number of fully paid Shares cancelled in the 12 months.

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 Rule 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 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 (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 Meeting and will expire on the earlier to occur 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 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 4?

The effect of Resolution 4 will be to allow the Directors 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.

7.3 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 7.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(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 7.2(e) above).

(c) **Purposes of issues under 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), the development, manufacture and commercialisation of the Company's technology and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(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 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 below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c)) as at the date of the 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	\$0.007 50% decrease in Current Market Price	\$0.015 Current Market Price	\$0.03 100% increase in Current Market Price
1,026,608,975 Shares Variable A	10% Voting Dilution	102,660,898 Shares	102,660,898 Shares	102,660,898 Shares
	Funds raised	\$718,626	\$1,539,913	\$3,079,827

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.007 50% decrease in Current Market Price	\$0.015 Current Market Price	\$0.03 100% increase in Current Market Price
1,539,913,463 Shares 50% increase in Variable A	10% Voting Dilution	153,991,346 Shares	153,991,346 Shares	153,991,346 Shares
	Funds raised	\$1,077,939	\$2,309,870	\$4,619,740
2,053,217,950 Shares 100% increase in Variable A	10% Voting Dilution	205,321,795 Shares	205,321,795 Shares	205,321,795 Shares
	Funds raised	\$1,437,253	\$3,079,827	\$6,159,654

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price (\$0.015), being the closing price of the Shares on ASX on 23 June 2020, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - (b) Variable A comprises of 1,026,608,975 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; and
 - (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 (ie 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.
3. 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%.
4. 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.

5. 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 issue or other issue in which existing security holders 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 the 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 23 May 2018. However the Company did not obtain Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 31 May 2019.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the 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 the 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.

7.4 **Board recommendation**

Resolution 4 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 4.

8. Resolution 5 – Renewed Approval of Employee Incentive

8.1 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.

Resolution 5 seeks Shareholders' renewed approval for the adoption of the employee incentive scheme titled "*Schrole Group Ltd Employee Incentive Plan*" (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

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 of which 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.

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

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 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.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount 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 relation 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.

8.3 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) the material terms of the Plan are summarised in Schedule 2;

- (b) since the Plan was last approved by Shareholders on 13 September 2017, 2,859,501 Shares and 45,200,000 Performance Rights have been issued under the terms of the Plan;
- (c) the maximum number of Equity Securities proposed to be issued under the Plan following approval of Resolution 5 shall not exceed 75,930,449 Equity Securities, which is equal to approximately 5% of the Company's Equity Securities currently on issue; and
- (d) a voting exclusion statement is included in the Notice.

8.4 **Board recommendation**

Resolution 5 is an ordinary resolution.

The Directors decline to make a recommendation in relation to Resolution 5 due to their material personal interest in the outcome of the Resolution.

9. **Resolution 6 – Renewal of Proportional Takeover Bid Approval Provisions**

The Company's Constitution contains proportional takeover bid approval provisions (**PTBA Provisions**) which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by Shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The PTBA Provisions in the current Constitution expire on 11 October 2020 and will cease to apply on that date unless renewed.

Resolution 6 seeks the approval of Shareholders to modify the Constitution by renewing the PTBA Provisions for a further three years under sections 648G(4) and 136(2) of the Corporations Act. The proposed PTBA Provisions set out in Schedule 3 are identical to those previously contained at Rule 36 of the Constitution.

The Corporations Act requires the Company to provide Shareholders with an explanation of the PTBA Provisions as set out below.

Resolution 6 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 6.

9.1 **Information required by section 648G of the Corporations Act**

(a) **What is a proportional takeover bid?**

A proportional off-market takeover bid (**PT Bid**) is a takeover offer sent to all Shareholders but only for a specified portion of each Shareholder's Securities. Accordingly, if a Shareholder accepts in full the offer under a PT Bid, it will dispose of the specified portion of its securities in the Company and retain the balance of the Securities.

(b) **Effect of renewal**

If renewed, under Rule 36 of the Constitution if a PT Bid is made to Shareholders of the Company, the board of the Company is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offer under the PT Bid closes.

The resolution is taken to have been passed if a majority of Securities voted at the meeting, excluding the Securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the PT Bid, the resolution is deemed to have been passed. Where the resolution approving the PT Bid is passed or deemed to have been passed, transfers of Securities resulting from accepting the PT Bid are registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASX Operating Rules and the Company's Constitution. If the resolution is rejected, then under the Corporations Act the PT Bid is deemed to be withdrawn.

The Directors consider that Shareholders should have the opportunity to renew the PTBA Provisions. Without the PTBA Provisions applying, a PT Bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Securities whilst leaving themselves as part of a minority interest in the Company.

Without the PTBA Provisions, if there was a PT Bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the PT Bid even if they did not want control of the Company to pass to the bidder. Renewing the PTBA Provisions will make this situation less likely by permitting Shareholders to decide whether a PT Bid should be permitted to proceed.

(c) **No knowledge of present acquisition proposals**

As at the date of this notice, no Director is aware of a proposal by any person to acquire or increase the extent of a substantial interest in the Company.

(d) **Potential advantages and disadvantages**

The renewal of the PTBA Provisions will enable the Directors to formally ascertain the views of Shareholders about a PT Bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that renewal of the PTBA Provisions has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a PT Bid should be accepted.

The Directors consider that renewal the PTBA Provisions benefits all Shareholders in that they will have an opportunity to consider a PT Bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders are able to prevent a PT Bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the PT Bid. Furthermore, knowing the view of Shareholders assists each individual Shareholder to assess the likely outcome of the PT Bid and whether to accept or reject that bid.

As to the possible disadvantages to Shareholders renewal the PTBA Provisions, potentially, the proposal makes a PT Bid more difficult and PT Bids will therefore be discouraged. This may reduce the opportunities which Shareholders may have to sell all or some of their Securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's Share price. The PTBA Provisions may also be considered an additional restriction on the ability of individual Shareholders to deal freely on their Securities.

The Directors consider that there are no other advantages or disadvantages for Directors or Shareholders which arose during the period during which the PTBA Provisions were in effect, other than those discussed in this Section.

On balance, the directors consider that the possible advantages outweigh the possible disadvantages so that the renewal of the PTBA Provisions is in the interest of Shareholders.

10. Resolution 7 - Approval to issue Share Rights

10.1 General

On 29 April 2020, the Company announced that in light of the unprecedented challenges associated with COVID-19, the Company has undertaken a comprehensive review of its costs. The Company intends to offer existing Employees the opportunity to accrue 15% of their salary in the form of equity in lieu of salary (**Salary Sacrifice**), for the period from 4 May 2020 to 27 July 2020 (**Share Rights**). The Company has entered into a separate agreement with each Employee with respect to the issue of the Share Rights.

The number of Share Rights to which an Employee will be entitled each month will be calculated by dividing the sacrificed salary by the volume weighted average market price of the Company's Shares (**VWAP**) as follows:

$$\text{Number of Shares} = A/B$$

Where:

A = 15% of the Employee's salary for the period from 4 May 2020 to 27 July 2020;

B = VWAP of the Company's Shares

The only vesting condition of the Share Rights is that the Employee has not resigned at the issue date following the Meeting.

The process is illustrated in the following table:

Employee Salary	Employee Salary for the period from 4 May 2020 to 27 July 2020 (i.e. 12 weeks)	15% of the Employee's salary from 4 May 2020 to 27 July 2020 (A)	VWAP (B) ¹	Number of Shares the Employee is entitled to receive in lieu of salary based on a	VWAP (B) ²	Number of Shares the Employee is entitled to receive in lieu of salary based on a

				\$0.0106 VWAP		\$0.009 VWAP
\$75,000	\$17,307.69	\$2,596.15	\$0.0106	244,920	\$0.009	288,461
\$100,000	\$23,076.92	\$3,461.54	\$0.0106	326,560	\$0.009	384,615
\$150,000	\$34,615.38	\$5,192.31	\$0.0106	489,840	\$0.009	576,923

Notes:

1. The Company has assumed a VWAP of \$0.0106 to demonstrate the effect on dilution if the Company's share price was trading at \$0.0106, being the price of its most recent capital raising.
2. The Company has assumed a VWAP of \$0.009 to demonstrate the effect on dilution if the Company's share price was trading at a lower price.
3. The table is subject to rounding.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Share Rights to the Employees (or their respective nominees).

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

10.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The proposed issue of Share Rights does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The effect of Resolution 7 will be to allow the Company to issue the Share Rights during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue the Share Rights and the Employees that have elected to Salary Sacrifice will accrue 15% of their salary in the form of equity. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed to issue the Share Rights and the Company will be required to do one of the following:

- (i) pay the Employees in cash;
- (ii) seek a new approval for the issue of the Share Rights; or
- (iii) issue the Share Rights utilising its placement capacity under Listing Rule 7.1.

10.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Share Rights:

- (a) the Share Rights will be issued to the Employees (or their respective nominees), none of whom is a related party or a Material Investor of the Company;
- (b) upon an Employee's election to Salary Sacrifice, the number of Shares an Employee is entitled to each month will be calculated based on the following formula:

$$\text{Number of Shares} = A/B$$

Where:

A = 15% of the Employee's salary for the period from 4 May 2020 to 27 July 2020;

B = VWAP of the Company's Shares

An illustrative example of the formula is set out above in Section 10.1;

- (c) the Share Rights will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares pursuant to the Share Rights will be issued on a fixed date to be determined no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), and in the event that the Shares Rights are not issued within three months after the date of the issue and the Company is not granted a waiver by ASX to issue the Share Rights at a later point in time, the Company will be required to:
 - (i) pay the Employees in cash;
 - (ii) seek a new approval for the issue of the Share Rights; or
 - (iii) issue the Share Rights utilising its placement capacity under Listing Rule 7.1;
- (e) the Share Rights will be issued for nil cash consideration, as they are being issued in partial satisfaction of the Employee's Sacrificed Salary. Accordingly, no funds will be raised from the issue;
- (f) the Company has entered into a separate agreement with each Employee with respect to the issue of the Share Rights. The key terms of the agreements have been summarised above in Section 10.1; and
- (g) a voting exclusion statement is included in the Notice.

11. Resolution 8– Approval to issue Share Rights to Mr Robert Graham

11.1 General

Mr Robert Graham (or his nominee) has agreed, subject to obtaining Shareholder approval, to Salary Sacrifice 15% of his salary in the form of equity in lieu of salary, for the period from 4 May 2020 to 27 July 2020. The Share Rights will be issued on the same terms and

conditions of the Share Rights issued to Employees set out above in Section 10.1, the subject to Resolution 8.

The Board has agreed to issue a total of 983,355 Share Rights to Mr Robert Graham (or his nominee).

Resolution 8 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Share Rights to Mr Graham or his respective nominee.

Resolution 8 is an ordinary resolution.

The Board (excluding Mr Graham) recommends that Shareholders vote in favour of Resolution 8.

11.2 **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

Mr Graham is a related party of the Company by virtue of his position as Managing Director. As the issue of Share Rights to Mr Graham (or his nominee) involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. The issue of Share Rights falls within Listing Rule 10.11.1 and it is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

If Resolution 8 is passed, the Company will be able to proceed with the issue of Share Rights to Mr Graham as set out above in Section 11.1.

If Resolution 8 is not passed, the Company will not proceed to issue the Share Rights to Mr Graham and Mr Graham not be issued equity in lieu of 15% of his salary.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Share Rights will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

11.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Share Rights:

- (a) the Share Rights will be issued to Director Mr Robert Graham (or his nominee);
- (b) pursuant to Listing Rule 10.11.1, Mr Robert Graham is a related party by virtue of being a Director;
- (c) a maximum of 983,355 Share Rights will be issued to Mr Robert Graham (or his nominee);
- (d) the Share Rights will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

- (e) the Share Rights will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Share Rights will be issued for nil cash consideration, as they are being issued in partial satisfaction of the Director's Sacrificed Salary. Accordingly, no funds will be raised from the issue;
- (g) the annual remuneration package (inclusive of superannuation) of Mr Graham is \$301,125;
- (h) the Company has entered into an agreement with Mr Graham with respect to the issue of the Share Rights. The key terms of the agreements have been summarised above in Section 10.1; and
- (i) a voting exclusion statement is included in the Notice.

11.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Board, other than Mr Robert Graham, who has a material interest in Resolution 8, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Share Rights as the agreement to grant the Share Rights, reached as part of the remuneration package for Mr Robert Graham, is considered reasonable remuneration in the circumstances and will be issued to Mr Graham on the same terms and conditions as the Share Rights issued to the Employees (non-related party participants) and as such, the giving of the financial benefit is on arm's length terms.

Schedule 1 Definitions

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

10% Placement Facility	has the meaning given in Section 7.1.
10% Placement Period	has the meaning given in Section 7.2(f).
\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2019.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
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 Schrole Group Ltd (ACN 164 440 859).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
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.
Employees	means the employees of the Company.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
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.

Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an adviser; or (e) an associate, of the above who will receive securities in the Company which constitute more than 1% of the Company's anticipated 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 given in Section 7.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Plan	means the Company's Employee Incentive Plan which is the subject of Resolution 5, a summary of which is set out in Schedule 2.
Proxy Form	means the proxy form attached to the Notice.
PT Bid	means a proportional takeover bid as defined in section 9 of the Corporations Act.
PTBA Provisions	means the proportional takeover bid approval provisions set out in Schedule 3.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Rule	means a rule of the Constitution.
Salary Sacrifice	means 15% of the Employee's salary up until the date of this Meeting.
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 and/or Performance Rights).

Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Share Rights	means the Employee right to accrue 15% of their salary in the form of equity in lieu of salary. The number of Share Rights an Employee is entitled to is calculated using the formula set out in Section 10.3(b).
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Summary of Employee Incentive Plan

A summary of the terms of the Schrole Group Ltd Employee Incentive Scheme 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 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 Scheme 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. Scheme administration

The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme 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 Scheme 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 Scheme.

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.

An invitation may specify that at the time of exercise of the Convertible Securities, 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 5 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 Scheme rules, or such earlier date as set out in the Scheme 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 Scheme 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 Scheme 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 Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Scheme 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 Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

13. **Disposal restrictions on Plan Shares**

If the invitation provides that any Scheme 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 Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme 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 Scheme

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

No amendment to any provision of the Scheme 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. Scheme duration

The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme 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.

Schedule 3 Rule 36 of the Constitution (Proportional Takeover Bid Approval)

36.1 Definitions

In this Schedule:

A person associated with	a reference to "a person associated with" another person has the meaning given to that expression by Division 2 of Part 1.2 of the Corporations Act;
Approving Resolution	means a resolution approving the Proportional Takeover Bid in accordance with rule 36.2.
Approving Resolution Deadline	in relation to a Proportional Takeover Bid means the day that is the 14th day before the last day of the Bid Period.
Bid Period	means the period during which offers under the Proportional Takeover Bid remain open.
Bidder	means the person making the offers under the Proportional Takeover Bid.
Proportional Takeover Bid	means an off market bid for a specified proportion of shares in a class of shares in the Company; and

36.2 When a Proportional Takeover Bid is made

If offers are made under a Proportional Takeover Bid for securities of the Company:

- (a) other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASX Settlement Operating Rules, the registration of a transfer giving effect to a takeover contract resulting from the acceptance of an offer under the Proportional Takeover Bid is prohibited unless and until an Approving Resolution is passed in accordance with this rule 36.2;
- (b) a person (other than the Bidder or a person associated with the Bidder) who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held shares in the class is entitled to vote on an Approving Resolution and, for the purpose of so voting, is entitled to one vote for each of the shares;
- (c) an Approving Resolution is to be voted on:
 - (i) at a meeting convened and conducted by the Company of persons entitled to vote on the Approving Resolution; or
 - (ii) by means of a postal ballot conducted by the Company;
 - (iii) the Directors must ensure that an Approving Resolution is voted on in accordance with rule 36.2(c); and

- (iv) an Approving Resolution that has been voted on, is taken to have been passed if the proportion that the number of votes in favour of resolution bears to the total number of votes on the resolution is greater than 50%, otherwise the Approving Resolution is taken to be rejected.

36.3 Deadline for passing an Approving Resolution

To be effective, an Approving Resolution must be passed before the Approving Resolution Deadline.

36.4 Application of general law principles

The rules of this Constitution that apply to a meeting of members apply:

- (a) with such modifications as the circumstances require, to a meeting convened under rule 36.2(c)(i); and
- (b) as if the meeting convened under rule 36.2(c)(i) were a meeting of members of the Company.

36.5 Notice required when vote taken

If an Approving Resolution is passed in accordance with rules 0 and 36.3, the Company must, on or before the Approving Resolution Deadline, give:

- (a) the Bidder; and
- (b) each notifiable securities exchange in relation to the Company,

a written notice stating that the Approving Resolution has been voted on and whether the resolution was passed or rejected.

36.6 Where no vote taken

If no Approving Resolution has been voted on in accordance with this rule 36 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution is taken to have been passed in accordance with rule 36.

36.7 Effect of refection of Approving Resolution

If an Approving Resolution is voted on before the Approving Resolution Deadline in accordance with rule 36.3 and is rejected:

- (a) despite section 652A of the Corporations Act:
 - (i) all offers under the Proportional Takeover Bid that have not been accepted as at the end of the Approving Resolution Deadline; and
 - (ii) all offers under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the Approving Resolution Deadline, are taken to be withdrawn at the end of the Approving Resolution Deadline; and

- (b) a person who has accepted an offer made by the Bidder pursuant to the Proportional Takeover Bid from whose acceptance a binding contract has resulted is entitled to rescind that contract.

36.8 ASX Settlement Operating Rules

Nothing in this rule 36 authorises the Company to interfere with any takeover transfer procedures contained in the ASX Settlement Operating Rules.

36.9 Where this rule ceases to apply

This rule 36 ceases to have effect on:

- (a) firstly, the third anniversary of the adoption of this Constitution; and,
- (b) thereafter, on the third anniversary of the most recent renewal of this rule 36 approved by members pursuant to section 648G(4) of the Corporations Act.

Schrole Group Ltd
ACN 164 440 859
PROXY FORM

The Company Secretary
Schrole Group Ltd

By post: PO Box 902, West Perth WA 6872
By hand delivery: Ground Floor, 16 Ord Street, West Perth WA 6005
By email: btucker@ventnorcapital.com

Name of Shareholder:¹

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

STEP 1 – APPOINT A PROXY TO VOTE ON YOUR BEHALF

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

I/We being Shareholder/s of the Company hereby appoint:

The Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy²

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 the Company to be held at Ground Floor, 142 Hasler Road, Osborne Park, Western Australia on Friday, 24th July 2020 at 10am (WST), and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Important: If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 1, 5 and 8, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain*
Resolution 1 – Remuneration Report			
Resolution 2 – Election of Director - Mr James King			

	For	Against	Abstain*
Resolution 3 – Re-election of Director - Mr Stuart Carmichael			
Resolution 4 – Approval of 10% Placement Facility			
Resolution 5 – Renewed Approval of Employee Incentive Plan			
Resolution 6 – Renewal of Proportional Takeover Bid Approval Provisions			
Resolution 7 - Approval to issue Share Rights to Employees			
Resolution 8 - Approval to issue Share Rights Mr Robert Graham			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

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

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2*	Shareholder 3*
<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

PROXY NOTES

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be provided to the Company Secretary at an address provided above by post, hand delivery or email not less than 48 hours prior to the time of commencement of the Annual General Meeting (WST).