



# Notice of Extraordinary General Meeting and Explanatory Memorandum

NuCannaCo Science Limited ACN 607 640 513

Date of Meeting: 15 December 2017

Time of Meeting: 11.00 am (Adelaide time)

Place of Meeting: Minter Ellison  
Level 10,  
25 Grenfell Street  
Adelaide, South Australia 5000

**This Notice of Extraordinary Meeting should be read in its entirety.**

**If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or professional adviser without delay.**

# Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting of the Shareholders of NuCannaCo Science Limited ACN 607 640 513 (**Company**) will be held at Minter Ellison, Level 10, 25 Grenfell St., Adelaide, South Australia 5000, on Friday 15 December 2017 at 11.00 am (Adelaide time).

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes the business to be considered at this Meeting.

Terms used in this Notice of Meeting will, unless the context requires otherwise, have the same meaning given to them in the Explanatory Memorandum.

## Business

### 1. Resolution 1: Approval of Consolidation

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

*'That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 5 Shares (and every 5 Options) be consolidated into 1 Share (and 1 Option) and that where this consolidation results in a fraction of a Share (and Option) the Directors be authorised to round that fraction up to the nearest whole Share (and Option) and that the exercise price of each Option be amended in inverse proportion to that ratio.'*

#### Voting exclusion

There are no voting exclusions in relation to this Resolution.

## General business

To consider any other business that may be lawfully put forward in accordance with the Constitution of the Company and the Corporations Act.

## By order of the Board

Jonathan W. Lindh  
Company Secretary  
15 November 2017

# Notice of Extraordinary General Meeting

## Voting Entitlements

The Company has determined that, in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Company's shares quoted on NSX at 7.00 pm (Adelaide Time) on Wednesday 13th December 2017 will be taken, for the purposes of the Extraordinary General Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote at the meeting.

## Proxies

A shareholder who is entitled to attend and vote at the Extraordinary General Meeting may appoint up to two proxies to attend and vote on behalf of that shareholder. A proxy form is included with this Notice of Extraordinary General Meeting. If you require an additional proxy form, please contact the Company.

If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

A proxy need not be a shareholder of the Company. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney or authorised officer, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 11 am (Adelaide time) on Wednesday 13th December 2017, by one of four methods: 1) by post; 2) in person; 3) by facsimile; or 4) by email. Instructions for each method is set out below:

- To be effective, proxy forms (duly completed) must be received by the Company at Computershare Investor Services Pty Ltd, by mail at GPO Box 242, Melbourne, Victoria 3001 no later than 48 hours before the time, in Adelaide, of the commencement of the meeting.
- Proxy forms (duly completed) may be sent by facsimile to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555 or may be sent by email to [jonathan@nucannaco.com](mailto:jonathan@nucannaco.com). All proxy forms must be received by no later than 11.00 am (Adelaide time) on Wednesday 13th December 2017 or 6:30 pm (CST) on Tuesday 12th December 2017 for Shareholders based in the United States.

For Intermediary Online subscribers only (Custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## Appointment of company representative

A body corporate may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

## Voting by proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit. If a proxy abstains from voting and the directions on the proxy require that person to vote, the votes not exercised by the proxy will be given to the Chair to vote in accordance with the directions on the proxy form.

Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass Resolution 1.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to Resolution 1.

Terms not defined in this Explanatory Memorandum are defined in Section 3.

## 2. Resolution 1: Approval of Consolidation

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### 2.1 Background

As announced on the NSX on 9 October 2017, pursuant to the amended terms of the Acquisition Agreement to purchase Pro-Thotics Technology Inc. (**Prothotics**), the Company agreed to seek a 5:1 consolidation of the Company's shares (i.e. every 5 Shares of the Company will be converted into 1 Share). Accordingly, the Board is seeking Shareholder approval at this Meeting to consolidate the capital of the Company on a 5:1 basis (**Consolidation**).

The proposed Consolidation must take place in order for the Company to comply with the terms of the Acquisition Agreement and complete the acquisition of Prothotics. The Board is confident that the Consolidation will also increase future investment in the Company to fund further expansion.

### 2.2 Implementation of Consolidation

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. Accordingly, shareholder approval is sought for the proposed Consolidation by way of an ordinary resolution pursuant to Section 254H of the Corporations Act.

As the Consolidation applies equally to all of the Company's shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions). Therefore, the Consolidation will have no material effect on the percentage interest of each individual shareholder of the Company. Similarly, the aggregate value of each shareholder's holding (and the Company's market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the Consolidation alone.

If Resolution 1 is passed the number of:

- (a) Shares on issue will be reduced from 57,131,437 to 11,426,288 (subject to rounding); and
- (b) Options on issue will be reduced from 26,960,000 to 5,392,000 (subject to rounding) and the exercise price of the Options will be increased by a multiple of 5.

### 2.3 Effect on Capital Structure

The effect of the Consolidation on the capital structure of the Company is set out below.

The Company currently has 57,131,437 Shares on issue. Post consolidation, the Company will have 11,426,288 Shares on issue (subject to rounding and assuming no Options are exercised prior to the date of consolidation).

# Explanatory Memorandum

The effect of the Consolidation on the Options on issue is set out below:

## Options – Pre Consolidation

Options	Number
Unlisted A Class Options exercisable at \$0.40 each on or before 30 June 2021	8,480,000
Unlisted B Class Options exercisable at \$0.60 each on or before 30 June 2021	8,480,000
Unlisted C Class Options exercisable at \$0.25 each on or before 30 June 2021	10,000,000

## Options – Post Consolidation (subject to rounding)

Options	Number
Unlisted A Class Options exercisable at \$2.00 each on or before 30 June 2021	1,696,000
Unlisted B Class Options exercisable at \$3.00 each on or before 30 June 2021	1,696,000
Unlisted C Class Options exercisable at \$1.25 each on or before 30 June 2021	2,000,000

## 2.4 Indicative Timetable

If resolution 1 is passed, the Consolidation will take effect in accordance with the following indicative timetable:

Action	Date
Company announces the Consolidation and sends out Notice of Meeting	15 November 2017
Last date for trading in pre-consolidation securities	19 December 2017
Effective Date	20 December 2017
Record Date	21 December 2017
First date for registration of securities post-consolidation	22 December 2017
Issue Date	2 January 2018
Normal trading starts of securities trading on a consolidated basis	3 January 2018

## 2.5 Fractional Entitlements

Not all Security holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 5. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

## 2.6 Holding Statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

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After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

## 2.7 Tax implications

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

## 3. Interpretation

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In this Explanatory Memorandum:

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

**Company** means NuCannaCo Science Limited ACN 607 640 513;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time;

**Constitution** means the constitution of the Company;

**Directors** mean directors of the Company;

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**Meeting** or **Extraordinary General Meeting** or **EGM** means the Extraordinary General Meeting of Shareholders to be held at Minter Ellison, Level 10 25 Grenfell St, Adelaide South Australia 5000 on 15 December 2017 at 11.00 am (Adelaide time);

**Notice of Meeting** means the notice of meeting convening the Meeting and the Explanatory Memorandum;

**NSX** means the National Stock Exchange of Australia Limited;

**Options** mean an option to subscribe for ordinary Shares in the capital of the Company;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast by Shareholders;

**Resolution** means a resolution to be proposed at the Meeting;

**Security** means all securities of the Company, including a Share and an Option;

**Shareholder** means a holder of Shares in the Company;

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

Any inquiries in relation to Resolution 1 or the Explanatory Memorandum should be directed to:

Jonathan W. Lindh  
Company Secretary  
Level 4, 22 Grenfell Street  
Adelaide, South Australia 5000  
0414 169 465

## Lodge your vote:



### By Mail:

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

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

OR

Email to the Company: [jonathan@nucannaco.com](mailto:jonathan@nucannaco.com)

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

### For all enquiries call:

(within Australia) 1300 383 308  
(outside Australia) +61 3 9415 4376

## Proxy Form

For your vote to be effective it must be received by 11:00 am (Adelaide time) on Wednesday 13 December 2017

### 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

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

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

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

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

### Attending the Meeting

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

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

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

- ☒ Review your securityholding
- ☒ Update your securityholding

**Your secure access information is:**



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

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**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.

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of NuCannaCo Science Limited hereby appoint

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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 Extraordinary General Meeting of NuCannaCo Science Limited to be held at Minter Ellison, Level 10, 25 Grenfell Street, Adelaide, South Australia 5000 on Friday 15 December 2017 at 11:00 am (Adelaide time) and at any adjournment or postponement of that meeting.

### STEP 2 Items of Business



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

#### ORDINARY BUSINESS

1. Approval of Consolidation

For

Against

Abstain

☐☐☐

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.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /