

27 July 2022

Dear Shareholder

## Opportunity to sell Dawney & Co Limited shares for holders of unmarketable parcels

### The Program

Dawney & Co ACN 138 270 201 (**Company**) (NSX: DWY) is pleased to announce an opportunity for you to sell your shareholding without incurring any brokerage or handling costs. This program is available to eligible shareholders who, at 5.00pm Australian Eastern Standard Time (**AEST**) on 25 July 2022 (**Record Date**), were holders of fully paid ordinary shares in the Company (**Shares**) valued at less than \$500.00 (**Program**).

Based on a price of \$0.195 per share, being the average of the last sale prices of the shares of the company on the National Stock Exchange of Australia (NSX) for each of the 10 trading days immediately preceding the Record Date, an Unmarketable Parcel under the Program is any holding of 2,564 Shares or less (**Unmarketable Parcel**). Based on a buyback of \$0.195 per share, at the Record Date, there were 63 shareholders holding an Unmarketable Parcel representing 98,121 shares (approximately 0.41% of the Company's issued capital). The aggregate value of the ordinary shares held by all holders of Unmarketable Parcels is \$19,133.60.

Shares purchased by the Company under the Buy-back will be cancelled.

This Program closes at 5.00pm (AEST) on 9 September 2022 (**Election Date**).

The number of Shares which will constitute an Unmarketable Parcel at the Election Date will be any holding of Shares worth \$500.00 or less.

Our records show that you held less than \$500.00 worth of Shares on the Record Date. Consequently, your holding of Shares is eligible for this Program, if you continue to hold an Unmarketable Parcel as at the Election Date.

The Company makes this Program available pursuant to the provisions of rule 14 of the Company's constitution which allows for the sale of Shares held by a shareholder of an unmarketable parcel. A copy of rule 14 is **enclosed** as Schedule 1 of this notice.

The Company recognises that there are many shareholders who hold Unmarketable Parcels who may find it difficult or expensive to dispose of their Shares. This Program provides eligible shareholders with a convenient way to sell Shares and at the same time allows the Company to reduce its significant costs associated with administering many small shareholdings.

Information in this letter and in the **enclosed** documents will assist you to make a choice whether to:

- sell your holding; or
- retain your existing holding.

### To sell your holding

If you wish to dispose of your Shares without incurring any brokerage or handling costs, then **you do not need to do anything** and your Shares will be sold, if you hold an Unmarketable Parcel on the Election Date.

If you choose to do nothing and do not return the **enclosed** continuation election notice by the Election Date, subject to rule 14.4 of the constitution **all** of your Shares will be sold at the Company's discretion. The Company's registrar, Automic, will hold the proceeds from any of your Shares sold (**Sale Consideration**) in trust. If you have provided direct credit payment details to Automic,

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(Automatic, Level 5, 126 Phillip Street, Sydney , NSW 2000) for your holding and authorised such payments to be made by direct credit, the Sale Consideration will be paid to your nominated account by EFT. You will not incur any brokerage or handling costs associated with the disposal of your Shares. If you wish to update your direct credit instructions, please contact Automatic on 02 96985414. If no bank account is registered, proceeds will be remitted by cheque in the post.

If you do nothing, **all** of your Shares will be pooled with other Unmarketable Parcels under the Program and bought back by the Company.

### **Sale proceeds**

The sale proceeds to which you will be entitled will be calculated by dividing the aggregate of the total proceeds from the sale of all Shares sold under this Program, by the total number of Shares sold under this Program, and multiplied by the number of Shares you held, which were sold, with the total Sale Consideration rounded up to the nearest cent. All participants who have their Shares sold under this Program will receive the same average price per Share. The buyback price is \$0.195 per share.

You will be notified by way of a transaction confirmation statement of the number of your Shares sold, and the price and total sale proceeds. The transaction confirmation statement will be issued in accordance with the communications instructions as advised to the share register.

If your Shares are in a CHESS holding, the Company may, after the Election Date, move your Shares from the CHESS holdings to an issuer sponsored holding or certificated holding for the purposes of divestment by the Company in accordance with the Program.

### **To retain your existing holding**

If you wish to retain your existing holding of Shares then you must:

- complete and return the **enclosed** continuation election notice so that it is received by Automatic before the Election Date at the following address:  
  
GPO Box 5193, Sydney NSW 2001; or
- make your own arrangements outside the Program to purchase additional Shares so that your shareholding is worth at least \$500.00 on the Election Date. If you have more than one holding of Shares, then you can contact Automatic to assist with consolidating them into a single holding. In order to ensure that your Shares are not sold by the Company, any additional Shares must be held in the same holding as your current Shares (ie, you must advise your broker to purchase the Shares under the same Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**) that is stated on the **enclosed** forms) and must be registered by the Election Date.

### **Important Information**

It is important that you read and understand this letter and the continuation election notice.

Up to date information on the market price of Shares is available on the NSX website ([www.nsx.com.au](http://www.nsx.com.au)). The Company reserves the right to vary, delay or cancel the sale of your Shares and not proceed with any sale of shares at any time before your Shares are sold.

This Program does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in this Program.

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The Company or its directors and officers make no recommendation as to whether you should participate in the Program and none of them should be taken to be giving any financial advice to you. However, any shareholder support to this cost reduction and efficiency initiative is much appreciated.

### **Timetable**

<b>Key Events</b>	<b>Date</b>
Record date for establishing holders of Unmarketable Parcels (5pm AEDT)	25 July 2022
Unmarketable Parcel buy-back Documents Dispatched to Shareholders	29 July 2022
Unmarketable Parcel buy-back Closing Date (5pm AEDT)	9 September 2022
Unmarketable Parcel buy-back Settlement of applications and cancel shares	16 September 2022
Announce final share buy-back results	16 September 2022
Payment dispatched to Unmarketable Parcel buy-back participants	19 September 2022

### **Other Information and Enquiries**

If you have any further questions please contact the Company on [mdd@dawneyco.com.au](mailto:mdd@dawneyco.com.au).

Yours faithfully

Dawney & Co Limited

## Schedule 1 - Rule 14 of the constitution

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### 14.1 Definitions

In this clause:

"authorised price" means the average of the last sale prices of the shares of the company on the Exchange for each of the 10 trading days immediately preceding the date of any offer to purchase unmarketable parcels accepted by the company under this clause;

"effective date" means the date immediately following the expiry of the period referred to in the notice given by the company to unmarketable parcel holders in accordance with this clause;

"marketable parcel" means a number of shares equal to a marketable parcel as defined in the Listing Rules, calculated on the day before the company gives notice under clause 14.2;

"unmarketable parcel" means a number of shares which is less than a marketable parcel; and

"unmarketable parcel holder" means a member holding less than a marketable parcel.

"sell" includes a buy-back.

### 14.2 Notice to unmarketable parcel holder

The company may give written notice to an unmarketable parcel holder advising of the company's intention to sell their unmarketable parcel under this clause, unless the holder, within six weeks from the date the notice is sent by the company, gives written notice to the company that they wish to retain their shares, in which case the provisions of this clause will not apply to the shares held by that holder.

### 14.3 Revocation or withdrawal of notice

If an unmarketable parcel holder has given written notice to the company that they wish their shares to be exempted from this clause, they may at any time prior to the effective date revoke or withdraw that notice, and the provisions of this clause will then apply to the shares held by the holder.

### 14.4 Sale of unmarketable parcels

Subject to clause 14.2, on and from the effective date, the company may sell or otherwise dispose of the shares held by each unmarketable parcel holder on any terms and in such manner and at such times as the directors determine. For the purpose of selling or disposing of those shares, each unmarketable parcel holder

irrevocably:

- appoints the company as their agent to sell all the shares held by them at a price not less than the authorised price;
- appoints the company and each director and secretary from time to time jointly and severally as their attorney to execute a transfer document in their name and on their behalf for their shares and to otherwise act to effect a transfer of those shares; and
- appoints the company as their agent to deal with the proceeds of sale of those shares in accordance with this clause.

#### **14.5 Authorised price**

The company may only sell the shares of an unmarketable parcel holder if the company has received offers for all the shares constituting unmarketable parcels at the same price, which may not be less than the authorised price.

#### **14.6 Payment of costs**

The company will pay all costs and expenses of the sale and disposal of unmarketable parcels under this clause.

#### **14.7 Title of purchaser of unmarketable parcel**

Except in the case of a buy-back by the company, once the name of the purchaser of the shares sold or disposed of in accordance with this clause is entered in the register for those shares, the title of the purchaser to those shares is not affected by any irregularity or invalidity in connection with the sale or disposal of the shares, and the validity of the sale may not be impeached by any person.

#### **14.8 Remedy of unmarketable parcel holder**

The remedy of any unmarketable parcel holder who is aggrieved by the sale or disposal of their shares under this clause is limited to a right of action in damages against the company, to the exclusion of any other right, remedy or relief against any other person.

#### **14.9 Evidence of sale**

A statement in writing declaring that the person making the statement is a director or secretary of the company and that the shares of an unmarketable parcel holder have been dealt with in accordance with this clause is conclusive evidence of the facts stated in the statement as against all persons claiming to be entitled to the shares.

#### **14.10 Receipt of proceeds of sale**

The receipt by the company of the proceeds of sale of the shares of an unmarketable parcel holder is a good discharge to the purchaser from all liability in respect of the purchase of those shares, and the purchaser is not bound to see to the application of the money paid as consideration.

#### **14.11 Proceeds of sale**

The company will receive the proceeds of sale of the shares of each unmarketable parcel holder and will deal with those proceeds as follows:

- the proceeds must be paid into a separate bank account opened and maintained by the company;
- the proceeds must be held in trust for the unmarketable parcel holder;
- the company must, immediately following receipt of the proceeds, notify the unmarketable parcel holder in writing that the proceeds of the sale of the shares have been received by the company and are being held pending receipt of the certificate for the shares sold and instructions from the unmarketable parcel holder as to how the proceeds are to be dealt with;
- the company must deal with the proceeds as instructed by the unmarketable parcel holder on whose behalf they are held if the member provides to the company the certificate for the shares or, if the certificate has been lost or destroyed, a statement and undertaking in accordance with the Act; and
- if the whereabouts of the unmarketable parcel holder are unknown, or if no instructions are received from the unmarketable parcel holder within two years of the proceeds being received by the company, the company may deal with the proceeds according to the laws relating to unclaimed monies.

#### **14.12 Clause may be invoked only once in any 12 month period**

Subject to clause 14.13, the provisions of this clause may be invoked only once in any 12 month period.

#### **14.13 Effect of takeover bid or takeover announcement**

The operation of this clause is suspended following the announcement of a takeover bid or a takeover announcement, but the procedures set out in this clause may be recommenced after the close of the bids made under the takeover bid or takeover announcement.