

**Dawney & Co Ltd**  
Level 8, 1 Eagle Street  
Brisbane QLD 4001  
ACN: 138 270 201

<http://www.dawneyco.com.au/>

# Dawney & Co Ltd

## **Notice of 2022 Annual General Meeting** Explanatory Statement | Proxy Form

2 November 2022

**2:00pm AEST**

### **Address**

Hopgood Ganim  
Waterfront Place  
Level 8, 1 Eagle Street  
Brisbane City QLD 4000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm (AEST) on 2 November 2022 at HopgoodGanim Lawyers, Waterfront Place, Level 8, 1 Eagle Street Brisbane QLD 4000.

### Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

### Voting in person

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

### Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form.
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

### Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

### Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Dawney & Co Ltd ACN 138 270 201 will be held at 2:00pm (AEST) on 2 November 2022 at HopgoodGanim Lawyers, WaterfrontPlace, Level 8, 1 Eagle Street, Brisbane City QLD 4000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement, Share-In-Lieu Plan, and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10:00am (AEST) on 26 October 2022.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## **Remuneration Report**

### 1. **Resolution 1** – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2022.”*

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

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Re-election of Director**

### 2. **Resolution 2** – Re-election of Giles Craig as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Mr Giles Craig, a Director who retires by rotation in accordance with the clause 20.2 of the Company’s Constitution and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## Issue of Equity Securities

### 3. **Resolution 3** – Approval to Issue Additional Equity Securities under NSX Listing Rule 6.25

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes NSX Listing Rule 6.25 and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company as of the date of this Notice and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is 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 holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Special business**

### Directors Share-in-Lieu Plan

#### 4. **Resolution 4** - Approval of Directors Share-In-Lieu Plan

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

*“For the purposes of NSX Listing Rule 6.44 and for all other purposes, Shareholders approve the establishment and implementation of the Directors Share-In-Lieu Plan and the issue of securities under the Directors Share-In-Lieu Plan, to be tabled by the Chairman at the meeting, in accordance with the requirements of the Corporations Act and the NSX Listing Rules (if applicable) and on the terms as described in the Explanatory Statement to this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a) a person who is 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 holder of ordinary securities in the Company); or
- b) an Associate of that person or those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:
  - 1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
  - 2. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
  - 3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** 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 Resolution 4 if:

- a) the proxy is either:
  - 1. a member of the Company's Key Management Personnel; or
  - 2. a closely related party of a member of the Company's Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## 5. **Resolution 5** – Approval of Share Issue to Craig Giles under Directors Share-In-Lieu Plan in lieu of director's fees for year ended 30 June 2023

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*"That, for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), and subject to the passing of Resolution 4, approval is given for the Board to allot*

*and issue up to 73,171 Shares to Giles Craig (being a Non-Executive Director of the Company) and/or their nominees under the "Directors Share-In-Lieu Plan" on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a) a person who is 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 holder of ordinary securities in the Company); or
- b) an Associate of that person or those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:
  1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
  2. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
  3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** 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 Resolution 5 if:

- a) the proxy is either:
  1. a member of the Company's Key Management Personnel; or
  2. a closely related party of a member of the Company's Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## 6. **Resolution 6** – Approval of Share Issue to Kerry Daly under Directors Share-In-Lieu Plan in lieu of director’s fees for year ended 30 June 2023

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*“That, for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), and subject to the passing of Resolution 4, approval is given for the Board to allot and issue up to 73,171 Shares to Kerry Daly (being a Non-Executive Director of the Company) and/or their nominees under the Directors “Share-In-Lieu” Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- a) a person who is 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 holder of ordinary securities in the Company); or
- b) an Associate of that person or those persons. However, this does not apply to a vote cast in favour of Resolution 6 by:
  1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
  2. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
  3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** 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 Resolution 6 if:

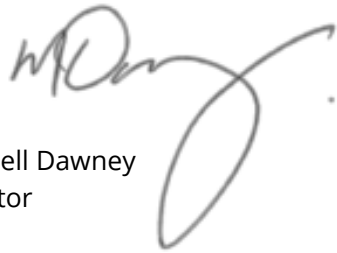
- a) the proxy is either:
  1. a member of the Company’s Key Management Personnel; or
  2. a closely related party of a member of the Company’s Key Management Personnel; and
- b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:



- a) the proxy is the Chair of the Meeting; and
- b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'M. Dawney', with a large, stylized flourish extending from the end of the signature.

Mitchell Dawney  
Director

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2:00pm (AEST) on 2 November 2022 at HopgoodGanim Lawyers, Waterfront Place, Level 8, 1 Eagle Street, Brisbane City QLD 4000

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at [www.dawneyco.com.au](http://www.dawneyco.com.au).

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 26 October 2022.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at [www.dawneyco.com.au](http://www.dawneyco.com.au).

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2023 Annual General Meeting (**2023 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2023 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2023 AGM. All of the Directors who were in office when the 2023 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Re-election of Director**

### **Resolution 2 – Re-election of Giles Craig as Director**

The Company's Constitution requires that at the Company's annual general meeting, one third of the Directors (other than any Managing Director) or, if their number is not a multiple of three, then the number nearest to but not less than one third) must retire. In addition, a Director (other than a Managing Director) must retire from office at the conclusion of the third annual general meeting after which the Director was elected or re-elected. The Directors to retire are the Directors (or Director) longest in office since last being elected.

Mr Giles Craig was last elected as a Director on 17 November 2020 (AGM).

A Director who retires in accordance with clause 20.2 of the Company's Constitution is eligible for re-election. Under this Resolution, Giles Craig has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Giles Craig holds a Bachelor of Science (Economics) Hons and is a Fellow of the Institute of Chartered Accountants in England and Wales. Mr Craig has been a Board member since 14 July 2009.

### **Directors' recommendation**

The Directors (excluding Mr Giles Craig) recommend that Shareholders vote for this Resolution.

## **Issue of Equity Securities**

### **Resolution 3 – Approval to Issue Additional Equity Securities under NSX Listing Rule 6.25**

This Resolution seeks shareholder approval under NXS Listing Rule 6.25 to allow the Company to issue equity securities up to 10% of its ordinary securities on issue as at the date of this Notice, in addition to the Company's existing 15% capacity under Listing Rule 6.25.

#### **NSX Listing Rule 6.25**

Listing Rule 6.25 allows an entity to issue (or agree to issue) equity securities up to 15% of the Company's ordinary securities on issue in any 12 month period without the approval of the Shareholders of the Company. If the Company wishes to issue equity securities above its 15% capacity, the Company must obtain shareholder approval at a general meeting prior to the issue, unless an exception applies.

As at the date of this Notice, the Company has on issue 23,924,712 fully paid ordinary securities, therefore, subject to Shareholder approval being obtained under this Resolution, the Company will have the capacity to issue , 2,392,471 additional equity securities.

Details regarding the purposes for which any particular issue under this Resolution is made will be more fully detailed in an announcement to the NSX at the time the issue is made.

Offers made under this Resolution may be made to parties (excluding any related parties) including professional and sophisticated investors or any other person to whom the Company is able to make an offer of equity securities.

If this Resolution is approved, the Company will have the ability to issue up to 10% of its issued capital as at the date of this Notice without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

The following information in relation to the issue of shares under this Resolution is provided to Shareholders for the purposes of Listing Rule 6.25:

- (a) The identity of the allottees of Shares under this Resolution will be determined at the time the Company decides to make an issue having regard to a number of factors.
- (b) The maximum number of equity securities to be issued is up to 10% of the Company's ordinary securities on issue as at the date of this Notice, being 23,924,712 equity securities.
- (c) The equity securities will be issued within 12 months of Shareholder approval being obtained by the Company.
- (d) The issue price of the equity securities to be issued under this Resolution will be determined at the time of issue, having regard to proximate trading prices of the Company's Shares quoted on the NSX. In some circumstances, the Company may issue equity securities under this Resolution for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors).
- (e) If the equity securities are Shares, the Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.

- (f) If the equity securities are Shares, funds raised from the issue of the Shares will be used by the Company for working capital purposes.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Directors Share-In-Lieu Plan**

### **Resolution 4 - Approval of Directors Share-In-Lieu Plan**

NSX Listing Rule 6.25 prohibits the Company issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary Share capital of the Company in any 12 month period.

NSX Listing Rule 6.25 exception 2(iv) provides that NSX Listing Rule 6.25 does not apply to the issue of securities by the Company under a Directors Share-In-Lieu Plan if the plan was established before the entity listed and a summary of the terms were included in the prospectus, or if the plan has been approved by Shareholders within three years from the date of issue of the relevant securities.

This Resolution 4 seeks Shareholder approval for three years so that securities issued pursuant to the Directors Share-In-Lieu Plan ("Plan") are not included within the 15% of issued Shares that can be issued without Shareholder approval. The Plan is included at Schedule 1 of this Notice of Meeting.

In accordance with NSX Listing Rule 6.25 exception 2(iv), a summary of the key terms of the Plan and the number of securities issued under the plan is set out below.

#### **Overview of the Plan**

The objective of the Plan is to create an initiative for creating a stronger link between Directors performance and reward and increasing Shareholder value through the provision of the plan, called the Dawney & Co Ltd "Directors Share-In-Lieu Plan".

Eligible participants in the Plan are those Directors who are invited by the Company to participate in the plan.

Subject to the Plan, each Director shall participate in the plan.

Terms of offer under the Plan are subject to the plan rules and the terms of the specific offer from time to time.

Shares issued under the Plan will rank equally with all other existing Shares in all respects including voting rights and entitlement to participate in dividends and in future rights and bonus issues.

A Director must not dispose of any Shares acquired under the Plan before the end of the restriction period which are subject to the plan rules and the terms of the specific offer from time to time.

On cessation of being an eligible participant:

- a) there are restriction conditions in relation to plan Shares or the eligible participant ceases to be an eligible Director then the Director forfeits its right, entitlement and interest in and to the plan Shares and the Company must either buy back and cancel or sell the plan Shares in accordance with the plan rules; or
- b) in the case of the death of the Non-Executive Director or as a result of a bona fide retirement (subject to conditions under the plan rules), bona fide redundancy or a total and permanent disability and there are unfulfilled restriction conditions the Board may elect to waive any of the restriction conditions and in its absolute discretion extend a loan in accordance with the plan rules.

Subject to the NSX Listing Rules, the rules of the Plan may be amended by resolution of the Board.

The Plan shall be administered by the Board who has the power to:

- a) determine appropriate procedures for administration of the plan consistent with its terms;
- b) resolve conclusively all questions of fact or interpretation in connection with the plan;
- c) delegate the exercise of any of its powers or discretions arising under the plan to any one or more persons for such period and on such conditions as the Board may determine; and
- d) suspend or terminate the plan by giving written advice to eligible Directors.

***What if this Resolution is not passed?***

If Resolution 4 **is not** passed, then Special Resolutions 5 and 6 will not be put to Shareholders and directors' fees will continue to be paid in cash.

***Recommendation***

The Directors being interested parties, make no recommendations in respect of Resolution 4. The Chair intends to vote all available proxies in favour of Resolution 4.

## **Approval of Directors Issue of Shares to Directors**

### **Resolution 5 & 6 - Approval of Issue of Shares to Directors Share-In-Lieu Plan**

Under NSX Listing Rules the Company must seek Shareholder approval to grant securities to directors under a Directors Share-In-Lieu Plan (the "Plan"), subject to Shareholder approval of the Plan, refer to Resolution 4 for further details. The Company seeks to issue ordinary Shares in the Company to the directors, Giles Craig and Kerry Daly in lieu of their annual directors fees for the year ended 30 June 2023 (as set out in the table below), in accordance with the Board's determination that 100% of the Directors' annual directors' fees be paid under the Plan.

The proposed issues are in accordance with the Plan which is put forward for approval by Shareholders at this meeting, held on 2 November 2022, refer to Resolution 4 for further details. Resolutions 5 and 6 are therefore subject to Shareholders approving Resolution 4 (Approval of Directors Share-In-Lieu Plan).

For the period covered by this Resolution (being the 3 years from the date of the Resolution being approved by members) the number of Shares issued in relation to any period would be calculated by dividing the value of remuneration foregone by the nominal issue price of the Shares. Shares issued under the Plan would be subject to a restriction that they may not be disposed of before the earlier of:

- the 12 month anniversary of the date of their acquisition; and
- the date that the Director ceases to be a director of the Company; and
- if a person's voting power (as defined in the Corporations Act) in the Company increases from less than 50% to more than 50% because of a takeover bid, the time when the person's voting power so increases.

Resolutions 5 and 6 seek approval of Shareholders to permit the Company to issue up to 146,342 Shares in aggregate to the Directors, to replace each of the Directors' annual director's fees for the financial year from 1 July 2022 to 30 June 2023, to be calculated in accordance with the formula set out in clause 2 below.

At the date of the Notice, the total annual directors' fees payable to each Director and/or their nominees for the year ended 30 June 2023, which will be paid by way of the issue of Shares in the

Company under the Plan as set out in the table below:

<b>Director</b>	<b>2023 Directors' fee to be paid in Shares</b>	<b>Shares</b>
Giles Craig	\$15,000	73,171
Kerry Daly	\$15,000	73,171

The following information must be provided to Shareholders in respect of Special Resolutions 5 and 6:

1. the maximum number of Shares to be issued to each Director under the Plan is 73,171 Shares in the case of each of Giles Craig and Kerry Daly or their respective nominees; totalling 146,342 Shares.
2. The price per Share to be issued to each of the Non-Executive Directors is \$0.205 per Share based on recent unaudited net tangible asset value per share after tax.
3. All Directors are entitled to participate in the Plan; Giles Craig and Kerry Daly are the persons entitled to participate in the Plan.
4. A voting exclusion statement is included in the Notice of Meeting.
5. No loan for an acquisition of Shares will be granted under the Plan.
6. The Company may issue Shares under the Plan no later than 12 months after the upcoming meeting to be held on 2 November 2022.
7. If the Resolutions are not approved by Shareholders the Directors' 2023 directors' fees will be paid in cash-based annual fees set out in the above table above.

***Recommendation***

The Directors Giles Craig and Kerry Daly being interested parties, make no recommendations in respect of special Resolutions 5 and 6.

The Chair intends to vote all available proxies in favour of Resolutions 5 and 6.

## Schedule 1

### DIRECTORS "SHARE-IN-LIEU" PLAN

#### Terms for Issue of Shares in Lieu of Directors' Fees

- 1 All Executive and Non-Executive Directors of the Company shall be entitled during the term of the "Directors Share-In-Lieu Plan" (**Plan**) to elect by notice in writing to the Company (**Election Notice**) to be paid some or all of the remuneration due and owing to them by the Company from time to time as fees for services (**Outstanding Remuneration**) by way of an issue of ordinary shares. (**Plan Shares**)
- 2 An Election Notice may be given by an Executive and/or Non-Executive Director (**Participating Director**) no more than four times per year, including the following:
  - The amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares under the Plan; and
  - Whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee (**Recipient**).
- 3 An Election Notice may be given to the Company in any manner permitted under the Constitution for service by the Company of notices.
- 4 Upon receipt of an Election Notice, Plan Shares may be issued to each Participating Director who elects to be issued Plan Shares in lieu of any Outstanding Remuneration.
- 5 The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
  - the NSX Listing Rules; and
  - the Corporations Act 2001 (Cth).
- 6 The issue price of each Plan Share will be based on the recent unaudited Net Tangible Asset value per share after tax on the Business Day before an Election Notice is given by a Participating Director and any fractional entitlement to be issued Plan Shares shall be rounded up to the nearest whole number. If however, the Plan Shares are being issued at the same time, and as part of a capital raising involving existing shareholders or third parties, the Plan Shares shall be issued at the same price as the shares issued to those other parties.
- 7 The Company shall:
  - issue the Plan Shares to a Recipient within three (3) Business Days of receipt of an Election Notice;
  - forthwith deliver a statement of holding to the Recipient in respect of the Plan Shares; and
  - cause the Plan Shares to be listed on NSX as soon as reasonably practicable at the Company's cost and expense.
- 8 Unless otherwise approved by shareholders of the Company, the maximum number of Plan Shares which may be issued by the Company in each 12 months during the term of the Plan shall be 250,000 Plan Shares.
- 9 For the purposes of interpretation of this Plan:
  - 1 **Constitution** means the Constitution of the Company;
  - 2 **Listing Rules** means the Listing Rules of NSX Limited;
  - 3 **Shares** means ordinary shares in the Company; and

**Terms** used herein shall have the meanings ascribed to them in the NSX Listing Rules.



# Enquiries

Shareholders are asked to contact the Company Secretary on [mdd@dawney.com.au](mailto:mdd@dawney.com.au) they have any queries in respect of the matters set out in these documents.

# Glossary

**AEST** means Australian Eastern Standard Time.

**Annual Financial Report** means the 2022 Annual Report to Shareholders for the period ended 30 June 2022 as lodged by the Company with NSX on 26 August 2022.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the NSX Listing Rules.

**Auditor's Report** means the auditor's report of PKF Chartered Accountants as included in the Annual Financial Report.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of NSX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means Dawney & Co Ltd ACN 138 270 201.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** or **Key Management Personnel** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 2 November 2022 including the Explanatory Statement.

**NSX** means the National Stock Exchange of Australia Limited ACN 330 894 691.

**NSX Listing Rules** or **Listing Rules** means the official NSX Listing Rules of the NSX and any other rules of the NSX which are applicable while the Company is admitted to the official list of the NSX, as amended or replaced from time to time, except to the extent of any express written waiver by the NSX.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Right** means a performance right which, subject to its terms, could convert to a Share.

**Plan** means the Directors Share-In-Lieu Plan, **attached** at Schedule 1.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

**Resolutions** means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.