

**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 2024 Annual General Meeting** Explanatory Statement | Proxy Form

22 November 2024

**11:00am AEST**

### **Address**

HopgoodGanim  
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 11:00am (AEST) on 22 November 2024 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 11:00am (AEST) on 22 November 2024 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 11:00am (AEST) on 20 November 2024.

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 2024 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 2024.”*

**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 Peter Johns as Director**

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

*“That Peter Johns, 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:

- (a) 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
- (b) 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
- (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:
  - 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

### Issue of Shares to Kerry Daly under the Directors Share-In-Lieu Plan

#### 4. **Resolution 4** – Approval of Share Issue to Kerry Daly under Directors Share-In-Lieu Plan in lieu of director's fees for year ending 30 June 2025

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), approval is given for the Board to allot and issue up to 79,545 Shares to Kerry Daly (being a Non-Executive Director of the Company) and/or his nominees under the Directors Share-In-Lieu Plan, approved by Shareholders at the 2022 AGM on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

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

- (a) 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
- (b) 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

- (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:
- 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.

**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:
- a member of the Company's Key Management Personnel; or
  - 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.

## **Issue of Shares to Peter Johns under the Directors Share-In-Lieu Plan**

### **5. Resolution 5 – Approval of Share Issue to Peter Johns under Directors Share-In-Lieu Plan in lieu of director's fees for year ending 30 June 2025**

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), approval is given for the Board to allot and issue up to 68,182 Shares to Peter Johns (being a Non-Executive Director of the Company) and/or his nominees under the Directors "Share-In-Lieu" Plan, approved by Shareholders at the 2022 AGM 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 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:

- (a) 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

- (b) 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
- (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:
  - 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.

**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:
    - a member of the Company's Key Management Personnel; or
    - 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.

## **Renewal of Proportional Takeover Provisions**

### **6. Resolution 6 – Renewal of Proportional Takeover Provisions in Constitution**

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

*"That in accordance with section 648G of the Corporations Act and Rule 13 of the Company's Constitution, the proportional takeover approval provisions in the Company's Constitution be renewed with immediate effect from this Resolution 6 being passed."*

**BY ORDER OF THE BOARD**



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 11:00am (AEST) on 22 November 2024 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 2024 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 15 November 2024.



# 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 2025 Annual General Meeting (**2025 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2025 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 2025 AGM. All of the Directors who were in office when the 2025 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 Peter Johns 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 Peter Johns was last elected as a Director on 8 November 2023 at the Company's 2023 AGM.

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

## **Directors' recommendation**

The Directors (excluding Mr Peter Johns) recommend that Shareholders vote for this Resolution.

## **Issue of Additional 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 24,251,609 fully paid ordinary securities, therefore, subject to Shareholder approval being obtained under this Resolution, the Company will have the capacity to issue, 2,425,160 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.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in NSX Listing Rule 6.25.

The following information in relation to the issue of equity securities 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 2,425,160 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.

## **Issue of Shares to Kerry Daly and Peter Johns under the Directors Share-In-Lieu Plan**

### **Resolutions 4 & 5 - Issue of Shares to Directors under the Directors Share-In-Lieu Plan**

#### **Background**

Under NSX Listing Rules the Company must seek Shareholder approval to grant securities to directors under a Directors Share-In-Lieu Plan (the "Plan"), which was approved by Shareholders at the Company's 2022 AGM to enable the Directors to elect to be paid some or all of the remuneration due and owing to them by the Company from time to time by way of an issue of ordinary Shares in the Company.

Pursuant to Resolutions 4 and 5, the Company is seeking Shareholder approval to issue ordinary Shares in the Company to the non-executive directors, Kerry Daly and Peter Johns in lieu of their annual directors fees for the year ended 30 June 2025 (as set out in the table below).

The proposed issues are in accordance with the Plan which was approved by Shareholders at the Company's 2022 AGM, held on 2 November 2022.

The number of Shares that would be issued in relation to any period under the Plan would be calculated by dividing the value of remuneration foregone by the nominal issue price of the Shares.

Shares issued under the Plan are 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 4 and 5 seek approval of Shareholders to permit the Company to issue up to 147,727 Shares (**Director Shares**) in aggregate to Kerry Daly and Peter Johns, in lieu of each of their annual director's fees for the financial year from 1 July 2024 to 30 June 2025, 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 2025, which is proposed to be paid by way of the issue of Shares in the Company under the Plan, is set out in the table below:

<b>Director</b>	<b>2025 Directors' fee proposed to be paid in Shares</b>	<b>Number of Director Shares</b>
Kerry Daly	\$17,500	79,545
Peter Johns	\$15,000	68,182

## **NSX Listing Rule 6.25**

NSX 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. Therefore, the effect of Resolutions 4 and 5 is to obtain shareholder approval for the issue of the Director Shares, which will allow the Company to issue the Director Shares, without using the Company's 15% capacity under Listing Rule 6.25.

## **NSX Listing Rule 6.44**

NSX Listing Rule 6.44 provides that a Company shall obtain shareholder approval for any issue of equity securities to a related party unless an exception applies.

## **Information Requirements**

The following information must be provided to Shareholders in respect of Special Resolutions 4 and 5:

1. the maximum number of Shares to be issued under the Plan to Kerry Daly and Peter Johns (or their respective nominees) totals 147,727 Shares.
2. The price per Share to be issued to each of the Non-Executive Directors is \$0.22 per Share based on recent unaudited net tangible asset value per share after tax.
3. All Directors are entitled to participate in the Plan; Kerry Daly and Peter Johns 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 22 November 2024.
7. If Resolutions 4 and 5 are not approved by Shareholders, the Directors' 2025 directors' fees will be paid in cash-based annual fees as set out in the table above.

## ***Recommendation***

Kerry Daly and Peter Johns being interested parties, make no recommendations in respect of special Resolutions 4 and 5.

The Chair intends to vote all available proxies in favour of Resolutions 4 and 5.

## **Renewal of Proportional Takeover Provisions**

### **Resolution 6 - Renewal of Proportional Takeover Provisions**

#### **Introduction**

Rule 13 of the Company's Constitution contains provisions dealing with proportional takeover bids for the Company's Shares that are made in accordance with the Corporations Act. The current Constitution was adopted on 15 November 2021.

Under section 648G of the Corporations Act, the provisions must be renewed every 3 years or they will cease to have effect. The provisions were last approved at the Annual General Meeting of the

Company held on 15 November 2021. The Company is now seeking to renew the proportional takeover approval provisions in its Constitution. If Resolution 6 is approved, the current provisions will have effect for 3 years from the date the Resolution is passed. In accordance with the Corporations Act, the Company provides the following information to shareholders when considering the inclusion of the proportional takeover approval provisions in the Company's Constitution.

### **What is a proportional takeover bid, and why do we need the proportional takeover approval provisions?**

A proportional takeover bid includes the bidder offering to buy a proportion only of each Shareholder's Shares in the Company. This means that control of the Company may pass without members having the chance to sell all their Shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, the Company may provide in its constitution that:

- (a) in the event of a proportional takeover bid being made for shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

### **What is the effect of the proportional takeover approval provisions?**

If a proportional takeover bid is made, the Directors must ensure that members vote on a resolution to approve the bid not less than 15 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. However, the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for 3 years after the date they are adopted as part of the Company's Constitution. As noted above, the provisions may be renewed or reinserted upon the expiry of the initial 3 year period, but only by a special resolution passed by shareholders.

### **Potential advantages and disadvantages**

The renewal of the proportional takeover provisions approval will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The proportional takeover approval provisions in rule 75 of the Constitution will ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including by using appropriate pricing. Similarly, knowing the view of the

majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their Shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

### **Existing proposals**

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

### **Recommendation of Directors**

Directors consider that it is in the interest of security holders to have the right to vote on a proportional takeover bid and therefore recommend that Shareholders vote in favour of renewing the takeover approval provisions.

## 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 2024 Annual Report to Shareholders for the period ended 30 June 2024 as lodged by the Company with NSX on 12 September 2024.

**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 24 October 2024 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 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2024 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2024 AGM.