
YOWIE GROUP LTD

ABN 98 084 370 669

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (AEDST)

DATE: Wednesday 8 December 2021

PLACE: The AGM will be conducted as a virtual meeting, accessible online at <https://meetings.linkgroup.com/YOW21>

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.

IMPORTANT INFORMATION REGARDING COVID-19: Due to the COVID-19 pandemic, the AGM will be held as a virtual meeting.

Shareholders are also strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders.

This Notice of Meeting can be accessed on the Company's website at <https://yowieworld.com/investors-and-corporate/>

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IMPORTANT INFORMATION

Attendance and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (AEDST) on 8 December 2021 as a virtual meeting.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://meetings.linkgroup.com/YOW21> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Proxy Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email within 24 hours prior to the Meeting.

Shareholders are requested to participate in the AGM virtually via our virtual AGM platform at <https://meetings.linkgroup.com/YOW21> or via lodging your proxy instruction prior to the Meeting.

Further information on how to participate virtually is set out in this Notice and the Online Platform Guide at <https://yowieworld.com/investors-and-corporate/>

Voting Eligibility

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 7.00pm (AEDST) time on 6 December 2021.

AGM Considerations and Shareholder Questions

Shareholders will be able to vote and ask questions at the virtual meeting.

All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of the Company's external auditor.

How to Vote

a. **Voting by proxy**

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

Online	www.linkmarketservices.com.au
By post	Yowie Group Ltd C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By fax	+61 2 9287 0309
By hand	Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000
All enquires	Telephone: +61 1300 554 474

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.

b. **Using the online platform**

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter <https://meetings.linkgroup.com/YOW21> into a web browser on your computer or online device;
- Securityholders will need their SRN or HIN (printed at the top of the Proxy Form); and
- Proxyholders will need their proxy code which Link Market Services will provide via email within 24 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 10.00am (Sydney time) on 8 December 2021 and the time at which the Chair announces voting closure.

More information about online participation in the Meetings is available in the Online Platform Guide at <https://yowieworld.com/investors-and-corporate/>

BUSINESS OF THE MEETING

AGENDA

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding 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 2021.”

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company will not disregard a vote if it is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel).

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LOUIS CARROLL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution** in accordance with clause 13.3 of the Constitution:

“That Mr Louis Carroll is re-elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – SCOTT HOBBS

At the request of Mr Keith Phillip Hudson, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Scott Hobbs be elected as a Director of the Company.”

4. RESOLUTION 4 – ADOPTION OF YOWIE GROUP LIMITED EMPLOYEE INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt the Yowie Group Limited Employee Incentive Plan and for the issue of up to 10,928,395 Equity Securities under the plan on the terms and conditions summarised in the accompanying Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by all persons who are eligible to participate in the Employee Incentive Plan (EIP) and any associates of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution if cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote 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:
 - a. 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
 - b. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – APPROVAL FOR ISSUE OF SERVICE RIGHTS TO PROPOSED DIRECTOR

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

That, subject to the passing of Resolution 4, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 10,800,000 Service Rights to Mr Sean Taylor (or his nominee) on the terms and conditions set out in the Explanatory Statement.

ASX Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP and any associates of those persons.

However, the Company need not disregard a vote cast in favour of these Resolution if it cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote 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:
 - (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:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – APPOINTMENT OF SEAN TAYLOR AS A DIRECTOR

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

“That in accordance with the provisions of the Constitution, and with effect from the date of this Meeting, Mr Sean Taylor be appointed as a Director.”

7. RESOLUTION 7 – SPECIAL MEETING TO BE HELD WITHIN 90 DAYS (“SPILL RESOLUTION”)

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

“That, for the purpose of Section 250V of the Corporations Act and for all other purposes:

- (a) *a meeting of holders of Yowie Group Limited be held within 90 days of this Annual General Meeting (“Spill Meeting”); and*
- (b) *all of the Directors of Yowie Group Limited who were Directors when the resolution to adopt the remuneration report as contained in the Company’s annual financial report for the year ended 30 June 2021 was passed, other than the managing director of the Company who may, in accordance with ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of the Spill Meeting.”*

Important Note: This resolution will only be put to the meeting if more than 25% of votes validly cast on Resolution 1 are cast against that Resolution.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

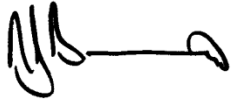
However, the Company will not disregard a vote if it is cast:

- (c) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (d) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides (even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel).

DATED: 29 October 2021

BY ORDER OF THE BOARD

A handwritten signature in black ink, consisting of a stylized 'NB' followed by a horizontal line that ends in a small loop.

**NEVILLE BASSETT
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Annual General Meeting.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2021 Annual Report will be tabled at the Annual General Meeting (the **Annual Report**). Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Annual Report.

There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, RSM Australia Partners, will be present to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the Company's website at www.yowiegroup.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2021 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings and a resolution was not put to the vote at the earlier annual general meeting under an earlier application of section 250V of the Corporations Act, a company will be required to put to its shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, the Company is required to put to shareholders at this annual general meeting a Spill Resolution

proposing the calling of a Spill Meeting. A Spill Resolution has been included on the Agenda (Resolution 7).

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LOUIS CARROLL

Resolution 2 relates to the re-election of Louis Carroll as a Director.

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in the case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

Under clause 13.4 of the Constitution directors appointed as additional directors and up for re-election under clause 13.4 shall not be taken into account in determining the Directors who are to retire by rotation.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 Directors (excluding the Managing Director).

A summary of the qualifications and experience of Mr Carroll is provided in the Annual Report.

As announced on 21 July 2021, Mr Carroll has advised of his intention to retire from his position as chairman and a director on the appointment of a replacement independent chairperson. As at the date of this Notice a replacement independent chairperson has not been appointed.

In the event that Resolution 6 is approved by Shareholders Mr Carroll will step down on the appointment of Mr Taylor.

RECOMMENDATION

Your Board unanimously **SUPPORTS** the re-election of Mr Carroll and recommends that you **VOTE IN FAVOUR** of Resolution 2.

Mr Carroll abstained from voting on the above recommendation.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – SCOTT HOBBS

The Company has received a nomination from Mr Keith Phillip Hudson that Mr Scott Hobbs be elected as a Director of the Company. A copy of the director nomination is attached as Annexure C.

The Company has received a consent to act as a director of the Company from Mr Hobbs.

Resolution 3 relates to the election of Mr Scott Hobbs as a Director.

Details on Mr Hobbs are contained in Annexure D.

5. RESOLUTION 4 – ADOPTION OF YOWIE GROUP LIMITED EMPLOYEE INCENTIVE PLAN

5.1 Introduction - resolution regarding new employee incentive scheme

The Company has introduced a new employee share scheme which is presented to Shareholders for approval at this General Meeting.

Resolution 4 relates to the Yowie Group Limited Employee Incentive Plan (EIP), described in more detail below.

The EIP incorporates both broad based equity participation for eligible employees as well as key executive incentive schemes.

If Resolution 4 is not passed, the Company will not be able to introduce the EIP and consequently, Resolution 5 will not be put to the vote of Shareholders.

5.2 Background

A summary of the key terms of the EIP is set out in Annexure A, and a copy of the rules of the EIP is available upon request from the Company.

The purpose of the EIP is to:

- (a) reward directors, employees and consultants of the Company;
- (b) assist in the retention and motivation of directors, employees and consultants of the Company; and
- (c) provide an incentive to directors, employees and consultants of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

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

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Shareholder approval of the EIP is being sought for all purposes under the Corporations Act and the Listing Rules, including Listing Rule 7.2 (exception 13), so that securities issued in accordance with the EIP will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period (currently 15% of shares previously on issue) for a period of three years from the date of approval.

The maximum number of equity securities that may be issued under the EIP is 10,928,395. The number of equity securities proposed to be issued under the EIP following approval is 10,800,000 Service Rights (Resolution 5).

In general terms, the number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus and made in accordance with a Notice of Reliance (CF 08). These limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous three years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous three years under any such employee share scheme), must not exceed 5% of the total number of shares on issue. Certain unregulated offers, including offers to senior managers and overseas residents are excluded.

If this Resolution 4 is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the EIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under Listing Rule 7.1 during the next three years period.

This is the first approval sought under Listing Rule 7.2 (exception 13) with respect to the EIP. Accordingly, no securities have previously been issued under the EIP.

Any future issues of securities under the EIP to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

5.3 EIP terms generally

The EIP is a new employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available in the various new equity schemes.

The EIP enables the Company to offer employees a range of different employee share scheme ("ESS") interests. These ESS interests or awards include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The type of ESS interest that may be offered to employees will be determined by a number of factors, including:

- the remuneration or incentive purpose;
- the tax jurisdiction that the employee lives and/or works in;
- the laws governing equity incentives where the employee lives and/or works; and
- the logistics and compliance costs associated with offering equity incentives where the employee lives and/or works.

Whenever Shares are acquired under the EIP, they may be acquired and held by an Employee Share Trust ("EST"). The EST will be governed by a trust deed ("EST Trust Deed") outlining the rules of the EST and the responsibilities of the Trustee, the Company and participants and a copy of any EST Trust Deed will be available upon request from the Company. It is not the intention of the company to establish an EST.

5.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4. As stated in the Notice, any vote cast in respect of this resolution by a Director and their respective associates will be disregarded, except as stated in the Notice.

6. RESOLUTION 5 – APPROVAL FOR ISSUE OF SERVICE RIGHTS TO PROPOSED DIRECTOR

6.1 General

Subject to the adoption of the EIP (refer to Resolution 4), and subject to the appointment of Mr Sean Taylor as a director (refer Resolution 6) Resolution 5 seeks Shareholder approval for the issue of 10,800,000 Service Rights to proposed director, Mr Sean Taylor (or his nominee). For particulars on the proposed appointment of Mr Taylor refer section 7.

The proposed issue of the Service Rights forms the proposed remuneration package for Mr Taylor in lieu of cash remuneration, in the role of Executive Chairman. The Service Rights are proposed to be issued to Mr Taylor to provide an equity-based component to his remuneration package.

The Board acknowledges that the grant of Service Rights to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and

Recommendations (4th Edition). However, the Board considers the proposed issue of the Service Rights to Mr Taylor to be reasonable in the circumstances in order to further align his interests with that of Shareholders and to provide appropriate remuneration for his ongoing commitment and contribution to the Company whilst minimizing the expenditure of the Company's cash resources. Mr Taylor's remuneration package will not contain a cash component.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Service Rights and consequently, Mr Taylor will not be remunerated by the issue of incentive securities. In this case, the appointment of Mr Taylor as a Director will not proceed and consequently, Resolution 6 will not be put to the vote of Shareholders.

6.2 Summary of the terms attaching to the Service Rights

The Service Rights will vest in three equal tranches, subject to the applicable vesting condition:

Tranche	No. of Service Rights that Vest	Vesting Condition
1	3,600,000	Continuous service, as defined in the Plan, from the grant date of the Service Rights until the first anniversary of the appointment as a director of the company.
2	3,600,000	Continuous service, as defined in the Plan, from the grant date of the Service Rights until the second anniversary of the appointment as a director of the company.
3	3,600,000	Continuous service, as defined in the Plan, from the grant date of the Service Rights until the third anniversary of the appointment as a director of the company.

Each Service Right that vests will entitle the holder to be issued with one Share.

The Service Rights will be issued for nil cash consideration and no consideration is payable by the holder upon the vesting of a Service Right.

Any Service Rights that have not vested on or before the defined service period will automatically lapse and become incapable of vesting into Shares, other than on a Change of Control event.

A summary of the material terms of the Service Rights is attached at Annexure B.

6.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of Service Rights constitutes giving a financial benefit and Mr Taylor is a related party of the Company by virtue of being a proposed Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Service Rights because the agreement to grant

the Service Rights, reached as part of the remuneration package for Mr Taylor, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.4 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Accordingly, Shareholder approval is sought for the issue of Service Rights to Mr Taylor, as a proposed director.

If Resolution 5 is approved by Shareholders, Listing Rule 7.2 (Exception 14) provides that Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.14. Accordingly, if Resolutions 5 is approved, the issue of these Service Rights to Mr Taylor will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of Listing Rule 7.1.

6.5 General information on the issue of the Service Rights

Resolution 5 seeks approval from Shareholders to allow the Company to issue the Service Rights to Mr Taylor (or his nominee) in accordance with the table set out in section 6.2. The Service Rights are to be issued as part of Mr Taylor's remuneration package and the issue will allow the Company to appropriately remunerate, and further align with Shareholders, Mr Taylor's interests.

The number of Service Rights proposed to be issued to Mr Taylor was determined having regard to the level of remuneration deemed appropriate to attract a suitably qualified persons to act as a Director and the Chairman of the Company. As the Service Rights are linked to period of service, it is not expected that there will be any annual grants of equity incentives to Mr Taylor. Further, it is noted that the Service Rights will only vest, and Mr Taylor will only be able to realise value from the grant of the Service Rights, through continuous service through to the relevant vesting date and (based on Mr Taylor's remuneration not including a cash component) through the appreciation in the Company's share price, thereby aligning the interests of Mr Taylor with the interests of Shareholders.

If Shareholders approve the issue of the Service Rights the subject of Resolution 5, and assuming all of the Service Rights are issued and vest into Shares and no other equity securities are issued or exercised, this will dilute the shareholdings of the Company's existing Shareholders by approximately 4.9% (based on the Company's issued Share capital as at the date of this Notice). The actual dilution will depend on the number of additional Shares that are actually issued and the Company's capital structure at the time of issue.

The total annual remuneration arrangement for Mr Taylor will comprise the Service Rights as set out in the table in section 6.2. Mr Taylor will not receive any other remuneration compensation.

Mr Taylor does not currently hold a relevant interest in the Shares of the Company .

6.6 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Service Rights to Mr Taylor:

(i) The following persons (or their respective nominees) are to receive the Service Rights:

Mr Sean Taylor is the proposed recipient of the Service Rights and is a related party by virtue of being a Director, in the event that Resolution 6 is passed by Shareholders, and falls into the category stipulated by Listing Rule 10.14.1. In the event the Plan Shares are

issued to a nominee of Mr Taylor, that person will fall into the category stipulated by Listing Rule 10.14.2

(ii) Maximum number of Service Rights to be issued:

If Shareholder approval is granted, the maximum number of Service Rights that may be granted is 10,800,000.

Subject to satisfaction of vesting criteria, each Service Right converts into one Share.

(iii) Current total remuneration package

Mr Taylor does not currently receive any form of remuneration. The total annual remuneration arrangement for Mr Taylor will comprise the Service Rights as set out in the table in section 6.2. Mr Taylor will not receive any other remuneration compensation.

(iv) Number of securities that have previously been issued to the person under the EIP

No securities have previously been issued under the EIP to Mr Taylor.

(v) Reason for issue of type of security

The proposed issue of the Service Rights forms the proposed remuneration package for Mr Taylor in lieu of cash remuneration, in the role of Executive Chairman. The Service Rights are proposed to be issued to Mr Taylor to provide an equity-based component to his remuneration package. Mr Taylor's remuneration package will not contain a cash component. The Service Rights will vest over 3 years as outlined in section 6.2.

(vi) Value of Service Rights

The average value of the Service Rights determined applying a conventional binomial approximation pricing model is \$0.043 per Service Right, based on the following inputs as at 8 October 2021:

Risk-free rate: 0.15%

Historical Volatility: 73% (based on the YOW closing share price for the previous 12 months)

Closing Share Price: \$0.043 (closing ASX price on 8 October 2021)

Dividend Yield: 0.00% (based on actual dividends paid in the previous 12 months)

Based on the above factors, the value of the various tranches of Service Rights proposed to be issued to Mr Taylor are as follows:

Tranche	No. of Service Rights	Value
1	3,600,000	\$154,800
2	3,600,000	\$154,800
3	3,600,000	\$154,800

(vii) Date by which the securities will be issue

The Service Rights will be issued to the Mr Taylor (or his nominee) no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Service Rights will be issued on one date.

(viii) Price of Service Rights

The Service Rights will be granted at no cost to Mr Taylor. Accordingly, no funds will be raised from the issue of the Service Rights. Once the Vesting Conditions are met (or

waived), the Service Rights may be exercised for nil consideration. Each Service Right will convert to one Share.

(ix) Terms and Conditions of Service Rights

A Service Right is a right to be issued a Share upon satisfaction of specified service conditions and prior to the expiry of a vesting period. The service conditions that are required to be satisfied for the Service Rights to vest and convert into Shares are as outlined in Annexure B.

(x) Summary of material terms of any loan that will be made to Mr Taylor in relation to the acquisition

No loan will be made to Mr Taylor in relation to the issue of the Service Rights.

(xi) Reporting Requirements

Details of any securities issued under the EIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the EIP after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

7. RESOLUTION 6 – APPOINTMENT OF SEAN TAYLOR AS A DIRECTOR

7.1 General

On 21 July 2021, the Company announced that non-executive chairman, Mr Louis Carroll, had advised of his intention to retire from his position as chairman and a director on the appointment of a replacement independent chairperson.

Mr Sean Taylor has consented to join the Board as Executive Chairman effective from the date of this Meeting. Mr Carroll will step down on the appointment of Mr Taylor. Particulars on Mr Taylor are outlined in section 7.2.

Article 13.3 of the Constitution provides that the Company in general meeting may by ordinary resolution appoint any person as a Director.

Mr Sean Taylor, having consented to act, seeks approval to be appointed as a Director with effect from the date of this Meeting.

7.2 Candidate Director's Profile – Mr Sean Taylor

Sean is a results-focused leader and key authority in the marketing and brand activation sector. He has a strong, successful track record of delivering business growth to clients through deep strategic expertise, and a clear understanding of shopper needs and the retailers that serve them.

He began his career in media and advertising working across a range of senior positions at Network 10, Southern Cross Media and Austereo where he honed his understanding of customer drivers and their connection to sales. At the age of 30, he started his own business, ISS Marketing, with 'Crazy Johns' as founding client. Sean created the brand and retail strategy that helped propel Crazy Johns to the No 1 private mobile phone retailer in the country.

Sean's business grew to become a local success story, with more than 50 employees working across Sydney, Melbourne, Brisbane and Perth. Specialising in FMCG, ISS Marketing boasted an impressive client roster with major brands such as Disney Consumer Products, Tattersalls, Nestle Chilled Dairy, Peters Ice Cream, Kellogg's, Lion Nathan, Pepsi, Novartis among others. It was also widely recognised for its work in shopper focussed children's product and licensing marketing.

Having courted many suitors Sean sold his business to the PLC Photon (now known as Enero), 10 years later. In order to retain his expertise, Photon kept him on for a number of years to head up its Retail/shopper marketing agencies.

Sean's passion for building businesses and generating growth saw him move on to start a small agency, focussing on FMCG retail solutions for multi-national clients. Again, success followed and the entity was swiftly acquired by local marketing services network STW (now known as WPP), creating a joint venture with the then fledgling Ogilvy Action - the retail activation arm of Ogilvy Australia.

Sean went on to become the Group Managing Director of Ogilvy Group in Melbourne, while continuing to grow Ogilvy Action. During his tenure, Ogilvy Action was renamed Geometry Australia, and it grew to become the largest retail activation company in the country. Sean and his team advised clients on key areas that influence shopper behaviour and brand, including category re-invention, in-store tech and innovation, path to purchase marketing, customer trends among many other categories. His work spanned multiple target demographics from youth and beyond, with key clients including KFC, Coca-Cola and Lion Australia. After building it to be a profit powerhouse and fulfilling his earnout obligations, Sean recently left the business.

With a pattern of pursuing and building growth through deep expertise and client understanding, Sean is now widely recognised as one of Australia's most respected industry

leaders. Since starting his first business 20 years ago, much has changed including the increased focus on data and how it can be used to develop a strategic process to quantify shopper solutions, and in turn, provide a reliable platform from which to deliver creative outcomes. Sean has embraced these changes as a way to find new approaches and opportunities, while retaining a laser focus on his primary goal – generating outstanding and long-lasting business growth.

7.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7 – SPILL RESOLUTION

IMPORTANT NOTE: In accordance with the Corporations Act, Resolution 6 will only be put to the meeting if more than 25% of the votes validly cast on Resolution 1 are against the adoption of the remuneration Report.

The Corporations Act requires that if more than 25% of votes are cast against the adoption of the remuneration report at two consecutive annual general meetings, then a resolution must be put to shareholders at the second annual general meeting substantially in the form of Resolution 7.

At the 2020 Annual General Meeting, more than 25% of the votes validly cast on the resolution concerning the adoption of the remuneration report presented at that meeting were cast against that resolution. Accordingly, if at this Annual General Meeting more than 25% of votes validly cast are against the adoption of the remuneration report (Resolution 1), then Resolution 7 will be put to the Meeting.

If Resolution 7 is put to the Meeting and more than 50% of Shareholders vote in favour of that Resolution, then:

- A meeting of Shareholders will be held within 90 days of this Annual General Meeting ("Spill Meeting");
- All of the current members of the Board other than managing director who may, in accordance with ASX Listing Rules, continue to hold office indefinitely without being re-elected, will vacate their offices immediately before the end of the Spill Meeting; and
- At the Spill Meeting, resolutions will be voted on to elect individuals to the vacated offices.

If all the current Directors other than managing director who may, in accordance with ASX Listing Rules, continue to hold office indefinitely without being re-elected, cease to be Directors prior to the Spill Resolution, the meeting need not be held.

GLOSSARY

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or 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 dealing with the entity;
- (e) a company the member controls; or

a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Yowie Group Ltd (ACN 084 370 669).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

EDST means Eastern Daylight Saving Time as observed in Sydney, New South Wales.

Equity Security has the same meaning as in the ASX Listing Rules.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the meeting convened by the Notice of Annual General Meeting.

Notice or **Notice of Annual General Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

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

Shareholder means a holder of a Share.

SUMMARY OF EIP KEY TERMS AND KEY POLICY SETTINGS

Eligibility

The Board has the discretion to determine which employees are eligible to participate in the EIP. The definition of employee under the rules of the EIP includes any full time or permanent part time employee or officer or director of the Company or consultant of the Company or any related body corporate of the Company.

Vesting conditions

The vesting of any securities issued under the EIP, excluding Exempt Shares and Stock Appreciation Rights, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of securities

Vested securities issued under the EIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.

Price

Securities issued under the EIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the securities;
- any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the EIP; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Board may elect to settle in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reason to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan.

Waiving the restricted period

The Board may waive or shorten the restriction period applicable to securities issued under the EIP, as contained in the offer to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the EIP), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

Cessation of employment

All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

No dealing or hedging

Dealing restrictions apply to securities issued under the EIP in accordance with the rules of the EIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

Rights attaching to Shares

Shares issued under the plan will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

Company may issue or acquire shares

Company may, in its discretion, either issue new shares or acquire shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.

Adjustments

Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the EIP, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Limits on securities issued

The number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus and made in accordance with a Notice of Reliance (CF 08). These limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous three years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted in the previous three years under any such employee share scheme), must not exceed 5% of the total number of shares on issue. Certain unregulated offers, including offers to senior managers and overseas residents are excluded.

An overall limit of 15% for employee share scheme (ESS) offers is imposed.

Continued operation of the plan

The plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.

ANNEXURE B

TERMS AND CONDITIONS OF SERVICE RIGHTS

- (i) **Conversion on achievement of milestone:** Each Service Right will, on exercise, convert into one new ordinary fully paid share in Yowie Group Limited on satisfactory achievement of the following condition (**Vesting Condition**):
- (a) **Tranche 1:** Continuous service, as defined in the Plan, from the grant date of the Service Rights until the first anniversary of the appointment as a director of the company;
 - (b) **Tranche 2:** Continuous service, as defined in the Plan, from the grant date of the Service Rights until the second anniversary of the appointment as a director of the company;
 - (c) **Tranche 3:** Continuous service, as defined in the Plan, from the grant date of the Service Rights until the third anniversary of the appointment as a director of the company,
- except where the Participant's employment ends in circumstances other than as a Bad Leaver, the unvested Service Rights automatically vest and are automatically exercised, other than Service Rights with a vesting date greater than 12 months from the date of cessation of employment or office.
- (ii) **Lapse:** A Service Right will lapse on the earliest to occur of:
- (a) subject to any automatic vesting in accordance with other terms, if applicable Vesting Condition has not been met; or
 - (b) the expiry date which will be 5:00PM WST on the five-year anniversary from the date of grant.
- (iii) **Transfer:** The Service Rights are not transferable.
- (iv) **No voting rights:** The Service Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (v) **No dividend rights:** The Service Rights do not entitle the holder to any dividends.
- (vi) **No rights to return of capital:** The Service Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (vii) **Rights on winding up:** Upon the winding up of the Company, the Service Rights may not participate in the surplus profits or assets of the Company.
- (viii) **Change of Control:** Unvested Service Rights automatically vest and are automatically exercised on the occurrence of a Change of Control, other than Service Rights with a vesting date greater than 12 months from the Change of Control event, in which case the holder will be granted the right, but not the obligation, to convert such unvested Service Rights at a conversion price of \$0.043 per Service Right, within fourteen (14) days of the Change of Control Event.
- (ix) **Reorganisation:** In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Service Rights to which each Service Rights holder is entitled will be adjusted in the manner provided for in the ASX listing rules applicable at the time the reorganisation comes into effect. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Service Rights is entitled, upon vesting of the Service Rights, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Service Rights are exercised. Unless otherwise determined by the Board, a holder of Service Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (x) **No quotation:** The Service Rights will not be quoted on ASX. However if the Company is listed on the ASX, at the time of conversion of the Service Rights into Shares in accordance with these terms, the Company will within seven (7) days after the later of conversion and any escrow period ending, apply for the official quotation of the Shares arising from the conversion on ASX.
- (xi) **Participation in entitlements and bonus issues:** Holders of Service Rights will not be entitled (in their capacity as a Holder of a Service Right) to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (xii) **No other rights:** The Service Rights give the holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Change of Control means a person who does not control the Company at the time the Service Rights are issued achieving control of more than 50% of the ordinary voting securities in the Company.

Bad Leaver means a Participant who ceases employment or office with any Group Company in any of the following circumstances:

- (a) the Participant resigns from their employment or office (other than due to a constructive termination of their employment contract); or
- (b) the Participant's employment is terminated, or the Participant is dismissed from their office, for any of the following reasons:
 - (i) the Participant has committed any serious or persistent breach of the provisions of any employment contract entered into by the Participant with any Group Company;
 - (ii) the Participant being guilty of fraudulent or dishonest conduct in the performance of the Participant's duties, which in the reasonable opinion of the relevant Group Company effects the Participant's suitability for employment with that Group Company, or brings the Participant or the Group into disrepute;
 - (iii) the Participant has been convicted of any criminal offence which involves fraud or dishonesty;
 - (iv) the Participant has committed any wrongful or negligent act or omission which has caused any Group Company substantial liability;
 - (v) the Participant has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in the Participant being banned from managing a corporation under the Corporations Act; or
 - (vi) the Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.

Annexure C

NOMINATION FOR ELECTION AS A DIRECTOR

TO: The Board of Directors
Yowie Group Ltd ABN 98 084 370 669 (the "Company")

Registered Office: Mr Neville Bassett Email: Neville@yowiegroup.com
Company Secretary
Yowie Group Ltd
Level 4, 216 St Georges Terrace
Perth, Western Australia 6000

In accordance with Clause 13.3 of the Company's Constitution, the Member named below nominates the Candidate named below for election as a Director of the Company.

Member/Proposer: Mr Keith Phillip Hudson

Candidate: Scott Hobbs

Dated: 25th August 2021

Signed: 
Keith Phillip Hudson

ANNEXURE D

PARTICULARS ON MR SCOTT HOBBS

Scott Hobbs over the past 17 years has had a long association in the fast-moving consumer goods space as a Commercial, Sales, Retail merchandise and Senior category manager across various product categories and types. Most of this time has been spent in the confectionery and impulse food areas.

Working for a long period of time in the confectionery and food categories has provided Scott with detailed knowledge and experience at different levels within retail, wholesale, and manufacturing. Scott has a strong customer focus with a business development and product evolution skill set, understanding the end-to-end process well and what each part of the process requires, continue to drive the ongoing success in the confectionery and grocery space.

Currently employed as the General Manager Commercial for Prydes Confectionery Solutions.

Prydes is the largest privately owned, own brand confectionery manufacturer in Australia, and employs 120 people across two production sites. Prydes work with some of Australia's most respected food retailers and brand owners including Coles, Woolworths, ALDI, The Reject Shop and Darrell Lea.

Prydes manufactures in excess of 4,000 tonnes of sugar confectionery under retailer brands for retailers including Woolworths, Coles, ALDI, plus Prydes manufactures 5,000 tonnes of contract manufactured brands for Darrell Lea annually.

In this role Scott has direct management and accountability for all major Australian customer accounts, along with their associated sales and marketing activities. In addition to total business sales management, responsibility for all existing and new product development and strategy plans reside with Scott. Product development and range strategy is a key piece of the ongoing business success and one that requires a complete understanding of both manufacturer and customer requirements. Understanding both sides of the product and what's required is key for a successful long-term strategy and growth plan with major retailers such as Woolworths, Coles, ALDI & Metcash.

Previous roles have included buying and category management with Australian retailers BIG W and Metcash Food & Grocery. Key in carrying out successful category management roles is the need for ongoing market analysis and staying up to date with evolving and emerging trends. Range architecture and customer analysis also equally important. Working at senior category levels within these businesses has provided exposure to detailed hands-on range development and product positioning on the shelves of retail stores.

Past, present and future confectionery knowledge in a rapidly changing FMCG landscape is critical to any ongoing growth of the Yowie brand in Australian and internationally.