

REEDY LAGOON CORPORATION LIMITED

ACN 006 639 514

NOTICE OF MEETING

Notice is given that the Annual General Meeting of Reedy Lagoon Corporation Limited will be held on Monday 30 November 2020 commencing at 10.00 am.

The meeting will be held using virtual technology. Details of how shareholders can participate in the meeting, including voting and questions and answers are set out in the accompanying Explanatory Memorandum.

BUSINESS

1. To receive and consider the Directors' Report and Financial Accounts for the year ended 30th June 2020 together with the Auditor's report thereon.

2. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

(a) **Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2020**

“That the Remuneration Report be adopted.”

(b) **Resolution 2 – Re-election of a director**

“That Jonathan Hamer, being a director of the Company retiring by rotation in accordance with the Company's Constitution, being eligible and offering himself for re-election, be elected as a director of the Company.”

(c) **Resolutions 3.1, 3.2 and 3.3 – Issue of Options to directors**

Resolution 3.1 Executive Director: “That under the Directors' Option Scheme Mr G Fethers be issued 500,000 options with an exercise price of not less than 30% above the market value of the Company's shares at the time the options are issued and exercisable at any time until their expiry on 31 December 2023.”

Resolution 3.2 Chairman: “That under the Directors' Option Scheme Mr J Hamer be issued 300,000 options with an exercise price of not less than 30% above the market value of the Company's shares at the time the options are issued and exercisable at any time until their expiry on their expiry on the 31 December 2023.”

Resolution 3.3 Non-executive Director: “That under the Directors' Option Scheme Mr A Griffin be issued 100,000 options with an exercise price of not less than 30% above the market value of the Company's shares at the time the options are issued and exercisable at any time until their expiry on their expiry on the 31 December 2023.”

Note: Voting exclusion applies to resolutions 3.1, 3.2 and 3.3 - see the Explanatory Memorandum.

(d) **Resolution 4 – Change of Auditor**

“That subject to the Australian Securities and Investments Commission giving its consent under s. 329 of the Corporations Act 2001 to the resignation of Moore Australia Audit (Vic) as auditor of the Company, Connect National Audit Pty Ltd be appointed as auditor of the Company.”

By Order of the Board
G Fethers
COMPANY SECRETARY

Dated: 29 October 2020.

The accompanying Explanatory Memorandum forms part of this Notice of Meeting and should be read by members before making a decision with respect to the resolutions.

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REEDY LAGOON CORPORATION LIMITED

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Reedy Lagoon Corporation Limited (the “**Company**”) in connection with the business to be conducted at the Annual General Meeting to be held as a virtual meeting on 30 November 2020 commencing at 10.00 am (AEDT).

Shareholders can vote before the Meeting online at www.linkmarketservices.com.au. To vote online before the AGM you will need to login with your HIN or SRN and your postcode. This online method of voting replaces the use of hardcopy voting forms (proxies). Voting by this method will be open from Friday 30th October 2020 until 10pm (AEDT) on 28 November 2020. Instructions on how to vote by this method are provided at the end of the Explanatory Memorandum.

Shareholders may be present virtually, vote and ask questions at the Meeting via the online platform at <https://agmlive.link/RLC20>. Registration on the online platform for the AGM will commence at 09.30am (AEDT) on 30 November 2020 and is essential for admittance to the meeting. To vote or ask questions at the meeting you will need to login with your HIN or SRN and your postcode.

Further information on how to do this is set out in the Virtual Meeting Online Guide available on the Company’s website. A copy of the Virtual Meeting Online Guide has also been lodged with ASX.

The online platform will provide a reasonable opportunity for shareholders to participate, and the Meeting will operate on the basis that such participation will constitute Shareholders being present at the Meeting for all purposes.

Voting on all resolutions will occur by way of poll, and the online platform will enable shareholders who are virtually present at the AGM to lodge a vote in real time.

RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2020

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 30 June 2020. At the meeting there will be opportunity for discussion of the report.

The Remuneration Report can be found on page 14 of the Annual Report within the section headed Directors’ Report, which deals with the remuneration of directors and executives of the Company.

A Remuneration Report includes:

- an explanation of the Board’s policies in relation to the nature and level of remuneration of directors and executives, if applicable;
- details of any element of the remuneration of directors and executives that is dependent upon the satisfaction of a performance condition, if applicable;
- details of the total remuneration (as well as a categorized break-down of its components) of each director and executive, if applicable.

The directors recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution. If shareholders wish to give a proxy to the Chairman, but do not want the Chairman to vote in favour of the resolution to approve the Remuneration Report, they need to direct their proxy to vote against the resolution or to abstain.

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RESOLUTION 2 - RE-ELECTION OF JONATHAN HAMER AS A DIRECTOR

The Company's Constitution requires that one third of the directors retire from office at the Annual General Meeting and if they so desire offer themselves for re-election. The director to retire from office is that person other than the managing director who has been longest in office since last re-elected. Pursuant to Article 9.3 of the Constitution, Jonathan Hamer retires by rotation and, being eligible, offers himself for re-election.

The directors recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

RESOLUTIONS 3.1, 3.2 and 3.3 - PROPOSED ISSUE OF OPTIONS TO DIRECTORS UNDER THE DIRECTORS' OPTION SCHEME

Approval of holders of ordinary shares is sought for the issue of options to directors as required by Listing Rule 10.14.

The Directors' Option Scheme was approved by shareholders at the 2000 Annual General Meeting. Under the Scheme options are offered as part of the directors' annual remuneration to compensate for the directors' salary which has been set at less than market and to provide incentive for the directors to increase shareholder value by setting the exercise price of the options at 30% above the market value of the Company's shares at the time the options are issued.

The options subject to the resolution will be issued for nil consideration. The value of the options is assessed (using the Black Scholes - Basic Binomial Option Pricing Model and assuming a market value of the shares at the issue date of the options of \$0.013) at \$0.0117 per option.

The market value of the shares for the purpose of calculating the option exercise price is the average of the closing prices for the 20 days on which the shares traded on ASX preceding the date on which shareholders give their approval to the issue of the options. The options will be issued within 1 month of the date their issue is approved. The options may be exercised at any time within 3 years of the date of issue. No further approval under Listing Rule 10.14 is required for Messrs J Hamer, G Fethers and A Griffin to exercise their options and be issued with shares at the option exercise price.

The current total remuneration per annum of Messrs J Hamer, G Fethers and A Griffin is:

	Payment	Additional	Total
Jonathan Hamer	\$80,000	NA	\$ 80,000
Geoffrey Fethers	\$132,000 as salary	\$12,540 superannuation	\$144,540
Adrian Griffin	\$40,000	NA	\$ 40,000

Fethers also receives statutory long service leave (value \$2452).

Important Note: Directors agreed to not receive or be entitled to receive remuneration for the September 2020 quarter in continuation of the arrangements that applied in the latter half of financial year 2020 (refer Details of remuneration, page 15 of the Annual Report). Directors have agreed to not receive or be entitled to receive remuneration of 50% of their contracted rate of remuneration for the period commencing 1st October 2020 on the basis that amounts not receivable during the period would become payable if and only if (1) the board agreed to make payment; (2) the Company is solvent at the time of payment; and (3) the Company would remain solvent after payment.

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In the event that options are issued under the Directors' Option Scheme Messrs J Hamer, G Fethers and A Griffin will receive additional remuneration as detailed below:

	Number of options	Assessed Value
Jonathan Hamer	300,000	\$5,850
Geoffrey Fethers	500,000	\$3,510
Adrian Griffin	100,000	\$1,170

Options issued under the Directors' Option scheme to the current directors to date

The number of options that have been previously issued under the Director's Option Scheme to Messrs J Hamer, G Fethers and A Griffin are:

	Years as a director eligible to receive options under the Scheme	Total number of options received under the Scheme	Number of options from the Scheme that have not expired or been exercised
Jonathan Hamer	From 2007 to present (13 years)	3,900,000	900,000
Geoffrey Fethers	From 2000 to present (20 years)	10,000,000	1,500,000
Adrian Griffin	From 2007 to 2010; and From 2015 to present (9 years)	900,000	300,000

All options previously issued under the Directors' Option Scheme have been issued for nil consideration.

Details of any options issued under the Directors' Option scheme will be published in the Annual Report of the Company relating to the period in which those options 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 becomes entitled to participate in an issue of securities under the Directors' Option Scheme after the resolutions are approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

Voting exclusion

Messrs J Hamer, G Fethers and A Griffin are people entitled to participate in the scheme.

The Company will disregard any votes cast on these Resolutions by any director and any associate of any director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast 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. **The Chairman intends to vote undirected proxies in favour of the resolution. If shareholders wish to give a proxy to the Chairman, but do not want the Chairman to vote in favour of a resolution to approve the issue of Options to a Director they need to direct their proxy to vote against the resolution or to abstain.**

A vote given by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary will not be disregarded provided the following conditions are met:

- the beneficiary is not excluded from voting and is not an associate of a person excluded from voting; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As the directors potentially stand to gain an economic benefit upon being issued or exercising the options and are personally interested in the matter, each declines to make a recommendation.

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RESOLUTION 4 - CHANGE OF AUDITOR

The Directors wish to change the auditor of the Company.

The current auditor, Moore Australia Audit (Vic), will resign as auditor if ASIC consents and, if appointed by shareholders, Connect National Audit Pty Ltd will become the auditor of the Company. Connect National Audit Pty Ltd is an ASIC approved audit company and has been nominated for appointment by Mr Geof Fethers in his capacity as a member of the Company. The nomination is as set out below.

The Board wishes to make the change to a new auditor because it will maintain auditor independence while enabling the Company to acquire non-audit corporate services from the Moore group.

Nomination of an Auditor – s.328B Corporations Act 2001

I, **Geoffrey Fethers**, of 5 Herbert Street, Mornington, Victoria 3931 as a member of Reedy Lagoon Corporation Limited (“**RLC**”) **NOMINATE Connect National Audit Pty Ltd** ACN 605713040 for appointment as auditor of RLC at the Annual General Meeting of RLC to be held on or about 30 November 2020.

Signed: G Fethers (*signed*)

Date: 29/10/2020

INSTRUCTIONS ON HOW TO VOTE ONLINE BEFORE THE MEETING.

1. Go to the share registry website at www.linkmarketservices.com.au
2. Select 'Investor Login' (at top right hand corner of screen)
3. Complete the boxes in the 'Single Holding' section as follows:
 - o At 'Issuer Name' enter 'RLC' or 'Reedy Lagoon Corporation Limited'
 - o Enter your HIN or SRN
 - o Enter the postcode (Australia) or country code (overseas address) of your shareholding
 - o Enter the security code as displayed in the box above.
 - o Read and agree to the terms and conditions by selecting the tick box,
 - o click 'Login'.
4. Select 'SKIP' at next menu
5. Select VOTING from the ribbon across the top of the screen
6. Select VOTE under the heading ACTION and follow the prompts to lodge your vote.