

**OCEAN GROWN ABALONE LIMITED
ACN 148 155 042**

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For the Annual General Meeting of Shareholders
to be held on 22 November 2019 at 10:00am (WST)
at Fremantle Sailing Club – Stateroom, 151 Marine Terrace, Fremantle,
Western Australia**

This is an important document. Please read it carefully.

***If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the Company will be held at:

**Fremantle Sailing Club – Stateroom
151 Marine Terrace, Fremantle
Western Australia 6160**

**Commencing
at 10:00am (WST)
on 22 November 2019**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:00am (WST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either deliver the proxy form by post, in person or by email in accordance with instructions on the proxy form. You may also submit your proxy vote online in accordance with instructions on the proxy form.

Your proxy form must be received not later than 48 hours before the commencement of the Meeting.

Your proxy form is enclosed.

OCEAN GROWN ABALONE LIMITED
ACN 148 155 042

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Ocean Grown Abalone Limited will be held at Fremantle Sailing Club – Stateroom, 151 Marine Terrace, Fremantle, Western Australia on 22 November 2019 at 10:00am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the remuneration report and the auditor's report.

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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2019."

Voting exclusion:

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

- (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 voter may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – IGNAZIO RICCIARDI

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

"That Ignazio Ricciardi, who retires by rotation in accordance with rule 7.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

RESOLUTION 3 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms set out in the Explanatory Statement."

Voting exclusion:

The Company will disregard any votes cast in favour of this Resolution 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 an associate of those persons. However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

RESOLUTION 4 – AMENDMENT TO THE COMPANY'S CONSTITUTION

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

"That with effect from the close of the Meeting and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be modified by making the amendments described in the Explanatory Statement."

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the chair of 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.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolution 1. The proxy form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolution 1 even though this resolution is connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolution 1.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 20 November 2019 at 4.00pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Romolo Santoro
Company Secretary

Dated: 15 October 2019

OCEAN GROWN ABALONE LIMITED
ACN 148 155 042

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

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 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not 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.oceangrown.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2019;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2019.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – IGNAZIO RICCIARDI

Rule 7.3 of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to the managing director.

Mr Ignazio Ricciardi was last re-elected as a Director on 27 October 2017 at the 2017 annual general meeting. Mr Ricciardi retires by rotation in accordance with the Constitution, and being eligible, offers himself for re-election as a Director.

Mr Ricciardi is an Executive Director of the Company. Details of the qualifications and experience of Mr Ricciardi are set out in the Company's 2019 Annual Report.

The Board of the Company recommends the re-election of Mr Ricciardi as a Director.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

4.1 General

Listing Rule 7.1 permits a listed entity to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

4.2 Requirements of Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Equity Securities that are quoted on ASX are fully paid ordinary Shares (OGA).

(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;• plus the number of partly paid shares that became fully paid in the 12 months;
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	<ul style="list-style-type: none"> • plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4; • less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(e) Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 174,438,026 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- 26,165,704 Equity Securities under Listing Rule 7.1; and
- 17,443,803 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

4.3 Information for Shareholders as required by Listing Rule 7.3A

(a) Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date above, the date on which the Equity Securities are issued.

(b) Risk of economic and voting dilution

If this Resolution is passed and the Company issues securities under the Additional Placement Capacity, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price at 23 September 2019.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		8.5 cents 50% decrease in Issue Price	17 cents Issue Price	34 cents 100% increase in Issue Price
Current 174,438,026 Shares	10% Voting Dilution	17,443,803 Shares	17,443,803 Shares	17,443,803 Shares
	Funds raised	\$1,482,723	\$2,965,447	\$5,930,893
50% increase in Variable A 261,657,039 Shares	10% Voting Dilution	26,165,704 Shares	26,165,704 Shares	26,165,704 Shares
	Funds raised	\$2,224,085	\$4,448,170	\$8,896,339
100% increase in Variable A 348,876,052 Shares	10% Voting Dilution	34,887,605 Shares	34,887,605 Shares	34,887,605 Shares
	Funds raised	\$2,965,446	\$5,930,893	\$11,861,786

This table has been prepared on the following assumptions:

- The total number of Shares on issue at the date of this Notice is 174,438,026.

- (ii) The issue price is 17 cents, being the closing price of the Shares on ASX on 23 September 2019.
- (iii) The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval.
- (v) No quoted Options (including any quoted Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (viii) The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 22 November 2019 (the date of this Meeting) and expires on the earlier of:

- 22 November 2020, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that Shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the continued development on the Company's current assets, the acquisition of new assets or investments (including the expenses associated such acquisition) and for general working capital; or
- non-cash consideration for acquisition of new assets, investments or for the payment of goods or services or for the issue of Equity Securities associated with equity, debt or convertible security facilities that may be provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, a placement or a rights issue;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued under earlier placement capacity approval**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 23 November 2018 ("**Previous Approval**").

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 months preceding the date of this Meeting, the Company issued a total of 670,157 Equity Securities, which represents approximately 0.32% of the total number of Equity Securities on issue at 22 November 2018 (12 months before this Meeting). All of these Equity Securities were issued under an exception in Listing Rule 7.2 or with Shareholder approval.

Details of the issues of Equity Securities issued by the Company during the 12 month period preceding the date of this Meeting are:

- On 1 February 2019 the Company issued 342,391 Class D Performance Rights to eligible participants under the employee incentive scheme. Each Performance Right is convertible into one Share (fully paid ordinary) upon satisfaction of performance hurdles including continued employment with the Company until 30 June 2019. The Performance Rights were issued at nil issue price. The current trading value of Shares at 23 September 2019 is 17 cents.
- On 2 August 2019 the Company issued 327,766 Shares upon conversion of Class D Performance Rights. The Shares were issued to holders of Class D Performance Rights being eligible participants under the employee incentive

scheme. The Shares were issued at nil issue price. The current trading value of Shares at 23 September 2019 is 17 cents.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5. RESOLUTION 4 – AMENDMENT TO THE COMPANY'S CONSTITUTION

5.1 Special Resolution

Resolution 4 is a special resolution proposing to modify the Constitution by deleting the current rule 2.11 and inserting a new rule 2.11 in its place. Rule 2.11 concerns restricted securities.

Section 136 of the Corporations Act allows a company to modify its constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution.

5.2 Reasons for the amendment to the Constitution

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime is to come into effect from 1 December 2019. A two-tiered escrow regime is to be introduced.

The first tier of escrow will involve ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant restriction agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier will apply where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime is to replace the current requirement where all holders of restricted securities must enter into a formal escrow agreement.

In order to provide a constitutional underpinning for ASX's modified escrow regime, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019.

The new Listing Rule 15.12 requires the constitution of listed entities to reflect the modified escrow regime. This includes the constitution expressly providing for securities to be the subject of a holding lock where they are in a class of quoted securities and further providing that the

holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

5.3 Amendment

The current rule 2.11 of the Company's Constitution does not provide for the ASX's modified escrow regime. A modification of the Constitution is therefore sought by deleting the current rule 2.11 and inserting a new rule 2.11 in its place which will be in the following terms:

"2.11 Restricted Securities

- (a) The Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b) Notwithstanding the generality of Rule 2.11(a):*
 - (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (ii) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;*
 - (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
 - (v) if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

The new proposed rule provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

A copy of the Constitution with the amendment proposed will be made available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting.

The Directors recommend Shareholders vote to modify the Constitution to insert the new rule to ensure compliance with the Listing Rule changes.

OCEAN GROWN ABALONE LIMITED
ACN 148 155 042

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**Additional Placement Capacity**" means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**OGA**" means Ocean Grown Abalone Limited (ACN 148 155 042).

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

"**Directors**" mean the directors of the Company from time to time.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of Shares in the Company.

"**Trading Day**" has the same meaning as in the Listing Rules.

"**WST**" means Western Standard Time, Perth, Western Australia.

"**A\$**" "**AUD**" or "**\$**" means Australian dollars unless otherwise stated.



Ocean Grown Abalone Limited | ACN 148 155 042

AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: OGA

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 20 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



