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## **FIRST GROWTH LIMITED**

ACN 006 648 835

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00 am (EDST)

**DATE:** Monday, 27 November 2017

**PLACE:** Level 6  
412 Collins Street  
Melbourne Vic 3000

Notice is given that the Annual General Meeting of Shareholders of First Growth Funds Limited (“**FGF**” or the “**Company**”) for 2017 will be held **on Monday 27 November 2017 at 11.00 am (EDST) Level 6, 412 Collins Street, Melbourne, Victoria**. The Explanatory Memorandum accompanying this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined that pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at 11am (EDST) on **Saturday 25 November 2017**.

Terms and abbreviations used in this Notice are defined in the Glossary to the Explanatory Memorandum.

## ORDINARY BUSINESS

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### FINANCIAL STATEMENTS

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To receive and consider the annual financial statements of the Company and its controlled entities for the year ended 30 June 2017 and the related Directors' Report, Directors' Declaration and Auditors' Report.

### RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

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To consider and, if thought fit, pass the following Advisory Resolution, with or without amendment:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2017 as disclosed in the Directors' Report for the year ending 30 June 2017."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel of the Company ("KMP") (as identified in the Remuneration Report and which includes all of the Directors) or their Closely Related Parties (defined in the Corporations Act to include certain of their family members, dependents and companies they control), as well as any undirected votes given to a KMP or their closely related parties as proxyholder. However, the Company need not to disregard a vote cast by a KMP or Closely Related Party of the KMP if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) 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 KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

*Note: In accordance with section 250R of the Corporations Act 2001, the vote on Resolution 1 will be advisory only and will not bind the Directors or the Company.*

### RESOLUTION 2: RE-ELECTION OF DIRECTOR (Mr. Geoff Barnes)

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

*"That Mr Geoff Barnes, who retires as a director of the Company in accordance with Rule 58 of the Company's Constitution and, being eligible, offers himself for re-election, is hereby re-elected a director of the Company".*

### RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of 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 over a 12 month period from the date of the Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and on the terms and conditions in the Explanatory Memorandum (**Placement Securities**)."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Special Resolution 3 by a person who may participate in the proposed issue of the Placement Securities, a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 3 is passed, and any associates of the aforementioned persons. However, the Company will not disregard a vote if:

- (a) it is cast by the 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.

Important note: The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of this Resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

The Chair of the Annual Meeting intends to vote all available proxies in favour of Resolution 3.

## CONTINGENT BUSINESS

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### RESOLUTION 4: HOLDING A SPILL MEETING

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Subject to and conditional upon at least 25% of the votes on Resolution 1 being cast against Resolution 1, to consider, and if thought fit, pass the following Resolution, as an Ordinary Resolution of the Company:

"That:

- (a) the Company will convene an extraordinary general meeting (**Spill Meeting**) which must be held within 90 days of the passing of this Resolution (**Spill Resolution**) subject to (d) below;
- (b) all of the Directors in office at the time of the Spill Meeting who:
  - (1) were in office when the Directors' resolution was passed to make the Directors' Report for the financial year ended 30 June 2017 considered at the Company's 2017 annual general meeting; and
  - (2) are not a Managing Director of the Company who, in accordance with the Listing Rules, may continue to hold office indefinitely without being re-elected to the office, shall cease to hold office immediately before the end of the Spill Meeting (**Vacating Directors**);
- (c) at the Spill Meeting the Company will put resolutions to Shareholders to vote to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting under **Error! Reference source not found.** above; and
- (d) in accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting."

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel of the Company ("**KMP**") (as identified in the Remuneration Report and which includes all of the Directors) or their Closely Related Parties (defined in the Corporations Act to include certain of their family members, dependents and companies they control), as well as any undirected votes given to a KMP or their closely related parties as proxyholder. However, the Company need not to disregard a vote cast by a KMP or Closely Related Party of the KMP if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) 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 KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

Important Note: Resolution 4 will be considered at the AGM only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report. The Explanatory Notes further explain the circumstances in which Resolution 4 will be put to the meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting (**except for Resolution 4 in respect of which the Chair will vote any undirected proxies against the Resolution**), subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## GENERAL BUSINESS

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To consider any other business as may be lawfully put forward in accordance with the Constitution.

By order of the board



Julie Edwards  
Company Secretary  
18 October 2017

## NOTES:

### Explanatory Memorandum

The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

### Eligibility to vote

In accordance with the Corporations Act and the Company's Constitution, a person's entitlement to vote at the Annual General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) as at 11.00am (EDST) on Saturday 25 November 2017.

### Proxy votes

A Shareholder entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in their place.

Where more than one (1) proxy is appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

A proxy need not be a Shareholder.

A form of proxy must be signed by the Shareholder or the Shareholder's attorney.

Proxies must reach the Company at least forty eight (48) hours before the meeting at which the person named in the Proxy Form proposes to vote (i.e. not later than 11:00am (EDST) on Saturday 25 November 2017).

The address for lodgment of proxies is:

<b>Delivery Address:</b>	<b>Postal Address:</b>	<b>Fax Number:</b>
Computershare Investor Services 452 Johnson Street Abbotsford VIC 3067	Computershare Investor Services 452 Johnson Street Abbotsford VIC 3067	(within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

### Power of Attorney

If a proxy is signed by a Shareholder's attorney, the Shareholder's attorney confirms that he has received no revocation of authority under which the proxy is executed and the authorities under which the appointment was signed or a certified copy thereof must also be received at least forty eight (48) hours before the meeting.

### Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

### Questions for the Auditor

Under section 250PA of the Corporations Act, Shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting. Shareholders wishing to do so may send their questions to the Company c/- Level 6, 412 Collins Street, Melbourne, Victoria 3000, and the Company will pass them on to the auditor.

### 2017 Annual Report

Copies of the Company's 2017 Annual Report for the financial year ending 30 June 2017 ("**Annual Report**") comprising the Annual Financial Reports, Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those Shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at <http://firstgrowthfunds.com/> and was released to the ASX on 31 August 2017.

### Enquiries

Shareholders are invited to contact the Company Secretary, Julie Edwards on (03) 9642 0655 if they have any queries in respect of the matters set out in these documents.

## EXPLANATORY MEMORANDUM FIRST GROWTH FUNDS LIMITED

### INTRODUCTION

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This Explanatory Memorandum has been prepared to assist Shareholders in considering the Resolutions set out in the Company's Notice of Annual General Meeting. This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of Meeting, for the Company's Annual General Meeting to be held at **Level 6, 412 Collins Street, Melbourne, Victoria on Tuesday 27 November 2017** at 11.00 am (EDST).

Terms used in this Explanatory Memorandum are defined in the Glossary at page 13 of this Explanatory Memorandum.

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### ORDINARY BUSINESS

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#### FINANCIAL STATEMENTS

The Corporations Act requires that the Financial Report (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting. Although not requiring a vote of Members, an opportunity will be provided for Members to ask questions on the reports, including of the Company's auditor, who will be available to answer Member questions relating to the Audit Report. No voting is required for this item.

Copies of the Company's 2017 Annual Report for the financial year ending 30 June 2017 (**Annual Report**) comprising the Financial Report (which includes the financial statements and directors' declaration), Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those Shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at <http://firstgrowthfunds.com/shareholders/annual-reports/> and was released to the ASX on 31 August 2017.

#### RESOLUTION 1: (REMUNERATION REPORT) AND RESOLUTION 4: (SPILL MEETING)

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##### 1. Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution (Resolution 1).

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of the executive Director and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the senior executives of the Company, who are members of the Company's Key Management Personnel; and
- details and explains any performance conditions applicable to the remuneration of the executive Director and senior executives of the Company.

##### 2. Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

Members of the Key Management Personnel (**KMP**) and their Closely Related Parties (**CRP**) (**Restricted Voters**) and proxies of Restricted Voters are restricted from voting on a resolution which is connected directly or indirectly with the remuneration of a member of the Key Management Personnel (**Voting Restriction**). Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction applies to Resolution 1 and Resolution 4. However, it does not apply where:

- (a) the member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment specifies the way the proxy is to vote on the resolution; or
- (a) the Chair is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment does not specify the way the proxy is to vote on the resolution and 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.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the resolutions the subject of this Meeting (including Resolution 1) **except for Resolution 4 in respect of which the Chair will vote any undirected proxies against the Resolution**, subject to compliance with the Corporations Act.

### 3. The “Two Strikes Rule”

The Corporations Act requires that listed companies must put their remuneration report to a non-binding advisory shareholder vote at the AGM (**Remuneration Report Resolution**).

Under the “Two Strikes Rule” if the Remuneration Report Resolution receives a “no” vote of 25% or more (**Strike**) at two consecutive AGMs, a resolution to spill the board in accordance with Part 2G.2, Division 9 of the Corporations Act (**Spill Resolution**) must be put to Shareholders.

If the Spill Resolution is passed as an ordinary resolution, in accordance with the Corporations Act requirements:

- (a) the Company will convene an extraordinary general meeting (**Spill Meeting**) which must be held within 90 days of the passing of the Spill Resolution subject to below;
- (b) all of the Directors in office at the time of the Spill Meeting who:
  - (1) were in office when the Directors’ resolution was passed to make the Directors’ Report for the financial year ended 30 June 2017 (which includes the 2017 Remuneration Report) considered at the Company’s 2017 AGM; and
  - (2) are not a Managing Director of the Company who, in accordance with the Listing Rules, may continue to hold office indefinitely without being re-elected to the office,shall cease to hold office immediately before the end of the Spill Meeting (**Vacating Directors**);
- (c) at the Spill Meeting the Company will put resolutions to Shareholders to vote to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting under paragraph (a) above. The Vacating Directors, if they choose, may stand for re-election at the Spill Meeting;
- (d) in accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting; and
- (e) if the Company does not hold the Spill Meeting within 90 days after the Spill Resolution is passed, each person who is a Director of the Company at the end of that 90 day period commits an offence, even if the person was not a Director when the Spill Resolution was passed.

### 4. First Strike

At the Company’s AGM last year, over 25% of the votes cast in respect of the Remuneration Report Resolution, to adopt the Company’s 2016 Remuneration Report, were voted against that resolution. At the 2015 AGM, less than 25% of the votes were cast against the Remuneration Report Resolution. Accordingly, last year the Company received a “First Strike”.

### 5. Review of remuneration practices

Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, and make comments on, the Remuneration Report and the Company’s remuneration arrangements.

The Board believes that the Company’s remuneration arrangements, as set out in the 2017 Remuneration Report, are fair, reasonable and appropriate, support the strategic direction of the Company and align with Shareholders’ expectations.

### 6. Second Strike and Resolution 4

If the votes cast against this year’s Remuneration Report Resolution, to adopt the 2017 Remuneration Report, are again 25% or more of the total votes cast, the Company will receive its “second Strike” and will be required to put a Spill Resolution to Shareholders.

Accordingly, this Notice of Meeting includes a “conditional” Spill Resolution (Resolution 4) which will be put to Shareholders only if 25% or more of the votes cast are against Resolution 1 and the Company therefore receives a second Strike, otherwise Resolution 4 will be withdrawn.

If Resolution 4 is passed then it will be necessary for the Board to convene the further Spill Meeting within 90 days of the AGM in order for Shareholders to consider the composition of the Board. At the Spill Meeting, the following Directors will be the Vacating Directors who will cease to hold office immediately before the conclusion of the Spill Meeting unless they stand for re-election and are re-elected at the Spill Meeting:

- Michael Clarke
- Geoff Barnes
- Athan Lekkas

It is noted that even if Geoff Barnes is re-elected at this year’s AGM under Resolution 1, Geoff Barnes must still be Vacating Director at the Spill Meeting.

It is also noted that holding a Spill Meeting may cause some disruption to the running of the Company as a result of management distraction, the time involved in organising such a meeting and the diversion of resources. In addition, there will be a cost to the Company of holding a Spill Meeting.

## 7. Directors' Recommendations

### Resolution 1

The voting exclusion statement for Resolution 1 is set out on page 1 of the Notice of Meeting. The Board unanimously recommends that Shareholders vote **in favour of Resolution 1**. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

### Resolution 4

The voting exclusion statement for Resolution 4 is set out on page 4 of the Notice of Meeting. The Directors have abstained from making a recommendation on Resolution 4 given they would all be subject to the Spill Meeting. However, the Chair will be voting any undirected proxies against Resolution 4.

## **RESOLUTION 2: RE-ELECTION OF DIRECTOR (Mr. Geoff Barnes)**

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Under both Listing Rule 14.4 and the Company's Constitution (section 58), a Director of the Company must not hold office (without re-election) past the third annual general meeting following their appointment or 3 years, whichever is longer (not including the managing director or persons appointed to fill a casual vacancy). There must be an election of Directors each year.

Accordingly Mr Barnes retires by rotation and seeks re-election to the Board. Mr Barnes was appointed as a director on 16 May 2014.

Mr. Barnes is a Founder and Director of Peloton Capital Pty Ltd ("Peloton"), where he has responsibility for equity markets, stockbroking operations and corporate transactions. Prior to that he was employed for 9 years at Macquarie Private Wealth (Sydney) as an investment adviser and then Division Director, specialising in all commercial aspects of bringing projects to market, predominantly in the energy sector.

### Directors' Recommendation

The Directors (other than Mr. Barnes) unanimously recommend that Shareholders vote in favour of the re-election of Mr. Barnes.

## **RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY**

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ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below) (**Placement Securities**).

The effect of Resolution 3 will be to allow the Directors to issue Placement Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 3 is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### General

Listing Rule 7.1A permits an Eligible Entity which has obtained shareholder approval by Special Resolution passed at an annual general meeting to issue Placement Securities up to 10% of its issued share capital through placements over a maximum 12 month period after the relevant annual general meeting (the **10% Placement Facility**).

The issue of Placement Securities under the 10% Placement Facility would be in addition to the Company's ability to issue Equity Securities without Shareholder approval under Listing Rule 7.1. Broadly, Listing Rule 7.1 permits the Company to issue up to 15% of its issued equity capital without Shareholder approval over a 12 month period.

An "Eligible Entity" for the purposes of Listing Rule 7.1A is an entity that, as at the date of the relevant special resolution under that Rule, is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. If the Special Resolution were voted on at the date of the Notice, the Company would satisfy the Eligible Entity requirements, and the Directors believe that the Company would continue to satisfy those requirements on the date of the Annual General Meeting.

The effect of Resolution 3 will be to allow the Directors to issue Placement Securities under Listing Rule 7.1A during a maximum period of 12 months after the Annual Meeting without subsequent Shareholder approval and in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

### ***Description of Listing Rule 7.1A***

#### ***(a) Shareholder approval***

The ability to issue Placement Securities under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an Annual General Meeting. Hence, at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting must be in favour of Resolution 3 for it to be passed.

#### ***(b) Equity Securities***

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue three classes of quoted Equity Securities, being Shares, Series B Options and Series C Options.

#### ***(c) Formula for calculating 10% Placement Facility***

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during a period of up to 12 months after the date of the Annual General Meeting (see paragraph (f) below - "10% Placement Period"), a number of Equity Securities calculated in accordance with the following formula:

#### ***(A x D) - E***

**A** is the number of ordinary securities on issue 12 months before the date of issue or date of agreement to issue:

(A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid ordinary securities that became fully paid in the 12 months;

(C) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval);

(D) less the number of fully paid ordinary shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing 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 Rule 7.1 or 7.4.

#### ***(d) Listing Rules 7.1 and 7.1A***

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has 864,768,511 Shares on issue. At the date of the Notice, the Company has the capacity to issue:

- (i) **129,715,277** Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under this Resolution 3, **86,476,851** Equity Securities under Listing Rule 7.1A.



The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (c) above).

*(e) Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP (volume weighted average price) of Equity Securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting ; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by the ASX (the **10% Placement Period**).

If approval is given for the issue of the Placement Securities then the approval will expire, on 27 November 2018, unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

***Specific information required by Listing Rule 7.3A***

Listing Rule 7.3A sets out a number of matters which must be included in a Notice of Meeting seeking an approval under Listing Rule 7.1A. The following information is provided for that purpose.

*(a) Minimum Price*

See section e) above.

*(b) Risk of dilution*

Any issue of Placement Securities under the 10% Placement Facility will dilute the economic and voting interests of Shareholders who do not receive any Placement Securities under the issue.

There is a risk that:

- (i) the market price for the relevant Placement Securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the relevant Equity Securities on the issue date,

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

The table below shows the potential dilution of existing Shareholders on the basis of an issue price of \$0.007 (being the market price of Shares as at 10 October 2017 and the current value for the 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:

- (i) two examples where variable "A" has increased, namely by 50% and by 100%. Variable "A" could increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the assumed issue price of \$0.007 has changed: one, where it has decreased by 50% and two, where it has increased by 100%.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)		50% decrease in Issue Price (\$0.0035)	Issue Price (\$0.007)  (equivalent to Share price at 10 October 2017)	100% increase in Issue Price (\$0.014)
<b>Current Variable "A"</b> <b>864,768,511</b>	<b>10 % voting dilution</b>	86,476,851	86,476,851	86,476,851
	<b>Funds raised</b>	\$302,669	\$605,338	\$1,210,676
<b>50% increase in current Variable "A"</b> <b>1,297,152,767</b>	<b>10 % voting dilution</b>	129,715,277	129,715,277	129,715,277
	<b>Funds raised</b>	\$454,003	\$908,007	\$1,816,014
<b>100% increase in current Variable "A"</b> <b>1,729,537,022</b>	<b>10 % voting dilution</b>	172,953,702	172,953,702	172,953,702
	<b>Funds raised</b>	\$605,338	\$1,210,676	\$2,421,352

The table has been prepared on the following assumptions:

- (i) There are currently 864,768,511 Shares on issue.
- (ii) The Issue Price is \$0.007 being the closing price of the Company's Shares on ASX on 10 October 2017 and does not take into account any discount to that price (if any).
- (iii) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (iv) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (v) The 10% dilution reflects the aggregate percentage voting dilution against the issued Share capital at the time of issue. This is why the dilution is shown in each example as 10%.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (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 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(c) *Issue Dates*

The Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 27 November 2018. The approval under Resolution 3 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

*(d) Purpose of Issues*

The Company may seek to issue Placement Securities under the 10% Placement Facility for cash consideration in which case the Company intends to use the funds raised for investments and general working capital.

The Company may also issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments or payment for services. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under the Listing Rules (e.g. Rule 7.1A (4) and 3.10.5A) upon issue of any Placement Securities under the 10% Placement Facility. In the event this Resolution 4 is approved, when the Company issues Placement Securities pursuant to the 10% Placement Facility, it will give to the ASX:

- a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

*(e) Allocation policy*

The Company's allocation policy for the issue of Placement Securities under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of the Placement Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
- (iii) the effect of the issue of the Placement Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees of any Placement Securities that may be issued under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

*(f) Previous Approvals under Listing Rule 7.1A*

The Company has previously obtained Shareholder approval under Listing Rule 7.1A, however no securities were issued in the previous 12 months preceding the date of the AGM (that is, since 27 November 2016).

*(g) Voting Exclusion Statement*

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached nor intends to approach any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of any Placement Securities, and the Company has not formed an intention in relation to how it will decide which parties it might approach to participate in any issue of Placement Securities that might be made under the 10% Placement Facility. Assuming that remains the case at the time of the Annual General Meeting (which the Directors currently believe will be the case) no Shareholder's votes will be excluded under the voting exclusion in the Notice.

***Directors' Recommendation***

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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## GLOSSARY

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**\$** means Australian dollars.

**Advisory Resolution** means a Resolution which, the result of voting by Shareholders, does not bind the Company or the Directors.

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

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the person appointed to chair the Meeting.

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

**Company** or **FGF** means First Growth Funds Limited (ABN 34 006 6 48 835).

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

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

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**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.

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

**Option** means an option which entitles the holder to subscribe for one Share.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

**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 2017.

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

**Rule** means a rule of the Constitution.

**Section** means a section of the Explanatory Statement.

**Series B Options** means existing listed Options exercisable \$0.02 each, expiring on 17 February 2019.

**Series C Options** means existing listed Options exercisable at \$0.02 each, expiring on 20 February 2019;

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

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

**Special Resolution** means a Resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the Resolution.



# First Growth Funds

LIMITED

ABN 34 006 648 835

FGF

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000



## Proxy Form

XX

For your vote to be effective it must be received by 11.00 am (EDST) Saturday, 25 November 2017.

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

#### Your secure access information is:

SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999 I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of First Growth Funds Pty Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of First Growth Funds Pty Ltd to be held at Level 6, 412 Collins Street, Melbourne, Victoria on Monday, 27 November 2017 at 11.00 am (EDST) and at any adjournment or postponement of that Meeting.

**Important for Resolutions 1 and 4 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default.** By marking this box, you are expressly authorising the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 4 as set out in the Notice of Meeting. If you do not mark this box, and you have not otherwise directed your proxy how to vote on Resolutions 1 and 4 the Chairman of the Meeting will not cast your votes on Resolutions 1 and 4 and your votes will not be counted in computing the required majority if a poll is called on these items.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resoluiton 4 where the Chairman of the Meeting intends to vote against.**

I/We expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director (Mr Geoff Barnes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SPECIAL BUSINESS</b>			
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>CONTINGENT BUSINESS</b>			
4 Holding a Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution with the exception of Resolution 4 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

<b>Individual or Securityholder 1</b> <input style="width: 90%; height: 25px;" type="text"/>	<b>Securityholder 2</b> <input style="width: 90%; height: 25px;" type="text"/>	<b>Securityholder 3</b> <input style="width: 90%; height: 25px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_