

# NOTICE OF ANNUAL GENERAL MEETING



Village National Holdings Limited ABN 43 158 332 284 (Company)

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Notice is given that the Annual General Meeting of Shareholders of Village National Holdings Limited (**Village National** or **Company**) will be held at:

<b>Date and Time:</b>	31 May 2019   10.00am
<b>Location:</b>	Level 18, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000

## AGENDA

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as Ordinary Business.

## ORDINARY BUSINESS

### Financial Statements and Reports

To receive and consider the Company's annual financial report, Directors' report and auditors' report for the financial year ended 31 December 2018.

### Resolution 1 - Remuneration Report

To consider and if thought fit, to pass the following resolution as a non-binding ordinary resolution in accordance with section 250R of the *Corporations Act 2001* (Cth):

*"That the Remuneration Report for the year ended 31 December 2018 be adopted."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the Voting Exclusions section of the Explanatory Statement.

### Resolution 2 - Re-election of Director

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

*"That Graeme Mark Yukich who, having been appointed as a director in accordance with the Company's Constitution, retires as a Director of the Company and being eligible, offers himself for re-election as a Director of the Company, be elected as a Director of the Company".*

**Voting Exclusion:** The candidate may validly cast a vote in respect of the resolution to elect them as a Director. In the interests of good corporate governance, Graeme Mark Yukich and his associates will abstain from voting on the resolution relating to his re-election (except as a proxy for a person who is entitled to vote).

### Resolution 3 -Election of Director

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

*“That Brett Richard McDonald who, having been appointed as a director to fill a casual vacancy in accordance with the Company’s Constitution from 23 September 2018, and being eligible, offers himself for re-election as a Director of the Company, be elected as a Director of the Company”.*

**Voting Exclusion:** The candidate may validly cast a vote in respect of the resolution to elect them as a Director. In the interests of good corporate governance, Brett Richard McDonald and his associates will abstain from voting on the resolution relating to his re-election (except as a proxy for a person who is entitled to vote).

### Resolution 4 - Issuing Convertible Notes

To consider, and if thought fit, pass the following resolution as an ordinary resolution of the members of the Company that:

*“That, members ratify and approve the issue of convertible notes to investors up to a maximum value of \$1,500,000 to raise additional funds for future acquisitions and expansions.”*

**Voting Exclusion:** The Company will disregard any votes cast by any party who participated, or they know will participate in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

### Resolution 5 - Selective Buy-Back

To consider and if thought fit, to pass the following resolution as a special resolution:

*“That, for the purposes of section 247D(1)(a) of the Corporations Act and for all other purposes, approval be given for the Company to offer a selective share buy-back to those shareholders with shares with a total value of less than \$500.00 as at the proxy date (Selling Shareholder) at a price of 5.28c per share”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Selling Shareholder and any of its Associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

By order of the Board.

  
Steven Burnel  
Company Secretary  
7<sup>th</sup> May 2019

# EXPLANATORY STATEMENT

The Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your accountant or your investment adviser.

The Annual General Meeting of the Shareholders of Village National Holdings Limited (**Village National** or **Company**) will be held at:

<b>Date and Time:</b>	31 May 2019   10:00 am
<b>Location:</b>	Level 18, 300 Queen Street, Brisbane, Queensland, 4000

## 1. VOTING EXCLUSION STATEMENTS

### 1.1 Resolution 1

The Company will disregard any votes cast on this Resolution by:

- (a) a Director of the Company; and
- (b) an Associate of that person (or persons).

However, the Company need not disregard a vote if:

- (c) 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
- (d) 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.

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 1 by a member of the Key Management Personnel (KMP) or their Closely Related Parties who has been appointed as a proxy unless:

- (e) the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- (f) the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
- (g) does not specify the way the proxy is to vote on the resolution; and
- (h) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 1.2 Resolution 2

The Company will disregard any votes cast on this Resolution by Mr Graeme Mark Yukich and any associates of Mr Graeme Mark Yukich.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person which 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 which is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 1.3 Resolution 3

The Company will disregard any votes cast on this Resolution by Mr Brett Richard McDonald and any associates of Mr Brett Richard McDonald.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person which 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 which is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 1.4 Resolution 4

The Company will disregard any votes cast on this Resolution by any party who participated or they know will participate in the issue and any of their associates.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person which 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 which is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 1.5 Resolution 5

The Company will disregard any votes cast on this Resolution by any shareholders with shares with a total value of less than \$500.00 as at the proxy date and any of their associates.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person which 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 which is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 2. 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 place as set out above. The meeting will commence at 10.00am on 31 May 2019.

### ***Voting by Proxy***

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting, so that it is received no later than 10.00am on 29 May 2019. Proxy forms received later than this time will be invalid.

**By Hand:**           Advanced Share Registry Services  
                          110 Stirling Highway  
                          NEDLANDS WA 6009

**By Post:**           Advanced Share Registry Services  
                          PO Box 1156  
                          NEDLANDS WA 6009

**By Fax:**            08 9262 3723

**Your Proxy Form is enclosed.**

This is an important document. Please read it carefully. If you are unable to attend the Annual General Meeting please complete the Proxy Form.

### **3. ORDINARY BUSINESS**

#### **3.1 Financial Statements and Reports**

The Corporations Act requires the Company's annual financial report, Directors' report and the auditor's report for the most recent financial year (namely the period ended 31 December 2018) to be tabled at the Meeting. In addition, the Company's constitution provides for such reports and statement to be received and considered at the Meeting.

Apart from the matters involving remuneration of Directors which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of Shareholders at the Meeting on such reports. However, members are given the opportunity to raise questions with respect to these reports and statements at the Meeting.

The Company's financial report, Directors' report and auditor's report may be found in the Company's 2018 Annual Report.

Shareholders may submit a written question to the Auditor no less than 5 days prior to the Meeting which relates to the content of the Auditor's report or the conduct of the audit in relation to the financial report to be considered at the meeting. The Auditor will be attending the Meeting and will answer written questions received by the deadline specified above.

#### **3.2 Resolution 1 - Remuneration Report**

Section 250R of the Corporations Act requires that the Remuneration Report be put to the Shareholders for adoption by way of a non-binding vote.

The vote of the Shareholders is advisory only and does not bind the Directors or the Company.

The Remuneration Report may be found in the Company's 2018 Annual Report. Following consideration of the Remuneration Report, Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

#### **3.3 Resolution 2 - Re-election of a Director**

##### **Background**

In accordance with Rule 19.3 of the Company's constitution, Mr Graeme Mark Yukich retires from office and offers himself for re-election.

Graeme founded Entrust Private Wealth Management in 2003 with the business providing financial and investment advice to high net worth clients. The business was sold to the ASX listed Euroz Securities Limited in 2015, by which time funds under management had grown to in excess of \$600 million.

Graeme is now actively involved in family business interests which include property development, vineyards, wine production and coffee roasting.

##### **Directors' Recommendation**

The Directors (with Mr Graeme Mark Yukich abstaining) unanimously recommend that Shareholders vote in favour Mr Yukich's re-election as a Director.

### **3.4 Resolution 3 -Election of a Director**

#### **Background**

Brett holds the following qualifications:

- FDIA, GAICD BT (Surveying), AD Engineering
- Civ B&C, Qld Builders License (Low Rise)

Brett is currently the Executive Director of Public Housing and Public Works for the Queensland Government. Throughout his career he has had experience in Property, Projects, Construction, Engineering, Telecommunication, Operations and Maintenance and Manufacturing. Brett was previously the President of Australasia for Red Sea Housing Services where he organised the procurement and modular construction of a 14,000 person camp in Malaysia and a 432 person camp on Manus Island.

#### **Directors' Recommendation**

The Directors (with Mr Brett Richard McDonald abstaining) unanimously recommend that Shareholders vote in favour of Mr McDonald's election as a Director.

### **3.5 Resolution 4 - Issuing Convertible Notes**

#### **Background**

The Village National proposes to raise funds for future acquisitions and expansions through the issue of convertible notes to investors up to a maximum value of \$1,500,000.00. In the interests of good corporate governance, Village National proposes that the issue of these convertible notes be approved by the shareholders at general meeting.

#### **Directors' Recommendation**

The Directors recommend that you vote in favour of this resolution.

### **3.6 Resolution 5 - Selective Buy-Back**

#### **Background**

Section 247D(1)(a) of the Corporations Act has the effect that Shareholders must approve an agreement to selectively Buy-Back shares in the Company by passing a special resolution at a general meeting of the Shareholders, with no votes being cast in favour of the resolution by any of the Selling Shareholders or their associates before the Company can complete the Buy-Back of the shares.

This resolution will be passed by the Shareholders as a special resolution if at least 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or in the case of a corporate shareholder, by a corporate representative) as in favour of it.

Resolution 5 seeks this approval from the Shareholders to enable the Company to Buy-Back shares over the next 12 months following the meeting.

## **Shares and Shareholder's eligible for the offer**

There are currently 1,068 Shareholders in the Company of which 355 would be eligible for the proposed Buy-Back. This is approximately 33% of the Shareholders in the Company.

The total number of shares which would be eligible to be bought back by the Company would be 1,184,461, representing approximately 0.29% of the total shares issued in the Company.

## **Summary of Buy-Back Terms**

The key terms of the Buy-Back is that the offer will be made to shareholders with shares with a total value of less than \$500.00 as at the proxy date at a price of 5.28c per share.

## **Reasons for Buy-Back**

The Directors of the Company value all of Shareholders, however they recognise that holders of parcels of shares in the Company which value less than \$500.00 may find it difficult or costly to dispose of the shares. The proposed Buy-Back will allow holders of these limited parcels to sell their shares to the Company without incurring expense.

The Company will pay all costs related to the Buy-Back, excluding tax consequences from the sale of the shares which remain the responsibility of the Selling Shareholders.

## **Interests of Directors who could participate in the Buy-Back**

There are no directors or associates of directors who would be eligible for this proposed Buy-Back.

## **Financial Effect of the Buy-Back**

If approved, the Buy-Back will involve a reduction in the number of the Company's Shares which are on issue and a corresponding reduction in the Company's share capital.

Whilst the Company is seeking approval to Buy-Back up to 1,184,461 Shares over the 12 months following the Meeting, the actual number of Shares to be bought back will be assessed by the Company on an ongoing basis, having regard to, among other things, the Company's capital surplus and cash flows, as well as broader market conditions, alternative investment opportunities and whether the Selling Shareholders accept the offer made.

The Company will not Buy-Back Shares if to do so would materially prejudice the Company's ability to pay its creditors.

The Buy-Back will not prevent the Company from discharging its indebtedness or from conducting and growing its business. The Board believes that following completion of the Buy-Back the Company will remain strongly capitalised.

## **Source of Funds for the Buy-Back**

All funds required to be paid to Shareholders under the Buy-Back are to be sourced from the Company's existing capital surplus and cash reserves. The Board believes that these sources of funds are sufficient to cover the Company's financial obligations under the Buy-Back. The Board reserves the right to suspend the operation of the Buy-Back at any time to the extent that a funding shortfall arises.



## **Advantages and Disadvantages**

The Directors believe that the Buy-Back is consistent with the objectives of the Company's capital management strategies.

If approved by shareholders it will provide the Company with enhanced flexibility over the 12 months following the Meeting to buy back Shares.

By reducing the number of ordinary shares on issue the Company expects the Buy-Back to be earnings per share accretive for shareholders. A buy back will also assist in reducing share registry and other administrative costs for the Company associated with maintaining a large number of small Shareholders.

The Directors are not aware of any material disadvantages which would result from the Buy-Back being implemented.

## **Effect the Buy-Back will have on the Control of the Company**

There will not be a significant impact to the control of the Company following completion of the Buy-Back.

## **Financial Statements**

Financial statements to assist with consideration of this resolution will be provided as part of the Meeting in which this resolution is to be considered.

## **Directors' Recommendation**

The Directors recommend that you vote in favour of this resolution.