

4 November 2020

Dear Shareholder,

Macarthur's Annual General Meeting (AGM)

The Company's AGM is being held at 11.00am Monday 30 November 2020.

If you received this letter via email, the website link for the AGM Notice of Meeting and Explanatory Memorandum (AGM Notice) and Proxy form is available after my signature below. If you received this letter by post the AGM Notice, Proxy form and a form for updating your details are enclosed.

The AGM Notice sets out the means for you to join in a virtual AGM meeting and the reasons for this under Covid-19 circumstances.

My 19 August 2020 letter to shareholders said your Directors would seek reaffirmation of shareholders' December 2019 (pre-Covid-19) approval of the 3 childcare properties at the AGM, and outlined the directors' plan for their funding by capital raising and for Macarthur to establish itself as a "social infrastructure" company, focusing on childcare and land-lease communities for the retired and semi-retired.

Your Directors have not changed the plan for Macarthur as outlined, but the package to present to you for these acquisitions, as well as more details of the capital raising and expansion of social infrastructure businesses is not ready for the AGM. Directors hope to be in a position to put this reaffirmation to you at an extraordinary meeting in the near future and be able to provide more details of capital raising proposals and the investment in the social infrastructure business.

In the meantime, proposed resolutions for the AGM include setting up for the future approval of shareholders, share incentive schemes for employees, senior management and Directors, which are fully outlined in the Notice of AGM.

Please do not hesitate to contact the Company Secretary, Richard Barton, rbarton@macarthurnational.com.au if you have any queries.

Yours faithfully

Macarthur National Ltd



Henry Townsing
Chairman

Download instructions for AGM Notice and Proxy form are on following page.

The AGM Notice and Proxy form for Macarthur can be downloaded using the instructions below.

Please click on the link below which will take you to it via your web browser.

www.macarthurnational.com.au

If that does not work – please copy the link above and paste it into the address or search bar of your web browser.

On the website – you will see instructions for downloading the documents.

Enclosed with printed copy.

- Notice of AGM
- Proxy Form,
- Shareholder details update form

Macarthur National Ltd

ACN 633 180 346

2020 AGM PROXY FORM

TO: The Company Secretary
Macarthur National Ltd (Company)
68 Dorcas St, Southbank 3006

EMAIL: general@macarthurnational.com.au

Appointment of Proxy

I/We, _____ [Name of member(s)]

of _____ [Address]

being a member(s) of the Company and entitled to attend and vote appoint as my/our proxy

_____ [Name of Proxy]

of _____ [Address of Proxy]

or, failing him or her, the Chairman of the Annual General Meeting of the Company to be held on **Monday 30 November 2020 at 11.00 am** (Melbourne time) by virtual meeting, to vote for me/us at that meeting and at any adjournment of it.

All voting at the Meeting will be by poll.

Appointing a Second Proxy - If you wish to appoint two proxies, see overleaf, item 4.

Voting directions to your proxy – please mark to indicate your directions

I/We direct my/our Proxy to vote in accordance with the directions below. Unless the Proxy is directed, they may vote or abstain as they think fit, as they will on any other matters arising at the meeting.

No.	Resolutions	For	Against	Abstain*
1	Election of Director – Mr Dennis Wilkie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Adoption of Long term Incentive Plan for Directors and Senior Management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Adoption of Long term Incentive Plan for Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Shareholders are urged to complete any one of the “for”, “against” or “abstain” boxes on the proxy form thereby giving a directed proxy which then can be counted in accordance with your wishes.

Resolution Nos. 1-3 are to be put as an ordinary resolution requiring a simple majority of Shareholders present and voting either in person, by proxy, attorney, or properly constituted certificate of representation.

The Chairman intends to vote any undirected proxies in favour of the resolutions.

* If you mark the “Abstain” box for a particular item of business, you are directing your Proxy not to vote on your behalf on the poll (all voting is by poll).

The Directors urge Shareholders to lodge only “directed” proxy forms.

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

.....

.....

..... / /

Contact Name

Contact Daytime Telephone

Date

How to complete this Proxy Form

1 Your Name and Address

The Annual Report and Notice of Meeting documents have been sent to your name and address as it appears on the share register of Macarthur National Ltd, or, to the email address on file for your shareholding. If this information is incorrect, please advise the Company of your new details on the Change of Details form (attached). Shareholders sponsored by a broker should advise their broker of any changes.

Please note you cannot change ownership of your Shares using this form.

2 Appointment of a Proxy

If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and vote on your behalf. A proxy need not be a Shareholder of Macarthur National Ltd.

3 Votes on items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All of 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 (see appointment of a second proxy below). If you do not mark any of the boxes on a given resolution, your proxy will vote as he or she chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

4 Appointment of a Second Proxy

If you wish to appoint a Second Proxy to nominate a remaining portion of voting rights an additional Proxy Form may be obtained by telephoning the Company on (+613 9828 0500) or you may copy this form.

To appoint a Second Proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If two Proxy Forms are received but no percentage or number of votes is indicated, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together in the facsimile transmission or in the same envelope.

5 Authorised Signature(s)

You must sign this form as follows in the spaces provided:

- Joint Holding : where the holding is in more than one name all of the holders must sign.
- Power of Attorney : to sign under a power of attorney, you must have already lodged the power of attorney document with the share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this form when you return it.
- Companies : a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of corporate shareholder is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company or share registry.

6 Lodgment of Proxy

To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be lodged with the Company at:

- (a) the registered office; 68 Dorcas St, Southbank, Vic, 3006, or
- (c) by email to: general@macarthurnational.com.au

not later than **11.00am** (Melbourne time) on **Thursday 26 November 2020**, being 2 business days before the Meeting on Monday 30 November.

Shareholders are urged to complete any one of the "FOR", "AGAINST" OR "ABSTAIN": boxes thereby giving a directed proxy which then can be voted in all circumstances.

Documents may be lodged:

by posting, delivery or email to Macarthur National Ltd at the address opposite.

68 Dorcas St, Southbank Vic 3006

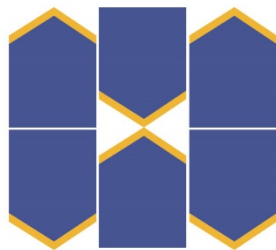
Email: general@macarthurnational.com.au

SHAREHOLDERS ARE URGED TO COMPLETE ANY ONE OF THE "FOR", "AGAINST" OR "ABSTAIN" BOXES ON THE PROXY FORM THEREBY GIVING A DIRECTED PROXY WHICH THEN CAN BE COUNTED IN ACCORDANCE WITH YOUR WISHES.

Macarthur National Limited
ACN 633 180 346

Notice of Annual General Meeting
and
Explanatory Statement
and
Proxy Form

Annual General Meeting of Macarthur National Limited to be held
as a virtual meeting by Microsoft Teams
On Monday 30 November 2020 commencing at 11am (Melbourne time).



MACARTHUR

NATIONAL

LIMITED

ACN: 633 180 346
Address: 68 Dorcas St
Southbank VIC 3006
Telephone: 61 3 9828 0500
Facsimile: 61 3 9828 0550
Email: general@macarthurnational.com.au

Macarthur National Limited (ACN 633 180 346)

General information

Notice

This Notice relates to the Annual General Meeting (**AGM**) of Shareholders of Macarthur National Ltd (**Macarthur**, **MNL** or the **Company**).

Notice is given that the AGM will be held:

- **virtually (via Microsoft Teams videoconference) on**
- **Monday 30 November 2020 commencing at 11am AEDT (Melbourne time).**

Based on the best information available to the Company at the time of preparing this Notice of General Meeting (**Notice**), the circumstances around the Covid-19 situation remain volatile and uncertain. The meeting is being held virtually in accordance with the temporary modifications to the Corporations Act and because the health and safety of Macarthur's members and personnel, and other stakeholders, is the highest priority.

The directions for joining and participating in the Microsoft Teams meeting are set out in the Notes which follow on page 5.

All resolutions will be conducted by way of a poll – not a show of hands.

(as required by the temporary modifications to the Corporations Act)

Shareholders will be able to cast their votes on the proposed resolutions at the Meeting. However, you are asked to connect to the virtual Meeting 15 minutes prior to the start of the Meeting to allow the Company to take your details.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in this Notice. To lodge your proxy, please follow the directions on the proxy form with this Notice.

The Company welcomes any questions submitted in writing prior to the Meeting by email to RBarton@cvventures.com.au.

If a written question is raised in respect of the resolutions to be considered at the Meeting, or a question to the Auditors, or the key management personnel of the Company, the Company will address the relevant question during the course of the Meeting or by written response after the Meeting.

The purpose of the Annual General Meeting is to:

- (a) Present the Company's Annual Report, and
- (b) obtain Shareholder approval for appointment of Dennis Wilkie as a Director, and the adoption by the Company of Long Term Incentive Plans.

The following documents accompany this Notice and are designed to assist Shareholders' understanding of the resolutions under consideration (**Resolutions**):

- (a) **Explanatory Statement:** provides an explanation of the Resolutions and the disclosures required by law; and
- (b) **Proxy form:** to be used by Shareholders to appoint a proxy to vote on their behalf at the Meeting.

Shareholders should read the above documents carefully.

KEY DATES FOR SHAREHOLDERS

Particulars ¹	Date (2020)
Despatch Notice to MNL shareholders	By 6 November 2020
Start shareholder notice period of 21 days	9 November 2020
Hold the annual general meeting of MNL shareholders	11 am, Monday 30 November 2020]

Notes:

¹ Shareholders should note the above timetable is indicative only.

Macarthur National Limited (ACN 633 180 346)

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail all the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

If Shareholders are in any doubt as how to vote, they should seek advice from their own independent financial, taxation or legal adviser without delay.

The business of the Meeting is set out below:

ORDINARY BUSINESS

Financial Statements and Reports

"To receive the Company's audited financial statements for the year ended 30 June 2020."

No vote is required for this item.

RESOLUTIONS

1. Resolution 1: Election of Director – Mr Dennis Wilkie

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

"That Mr Dennis Wilkie, in accordance with clause 19.4(a) of the Company's constitution and having provided his consent to act as a Director, be elected as a Director."

An explanation of this item can be found in the Explanatory Statement.

2. Resolution 2: Adoption of Long Term Incentive Plan for Directors and Senior Management

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

"That, for the purposes of clause 17.1 of the Constitution and all other purposes, approval is given for the adoption of the Company's Long Term Incentive Plan for Directors and Senior Management (LTIPDSM) on the terms and conditions set out in the Explanatory Statement, provided that no more than an additional 10% in aggregate of the underlying securities existing from time to time may be issued as shares in accordance with it, (whether under the LTIPDSM alone or if adopted under the following Resolution 3, in combination with the Company's Long Term Incentive Plan for Employees) "

3. Resolution 3: Adoption of Long Term Incentive Plan for Employees

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

"That, for the purposes of clause 17.1 of the Constitution and all other purposes, approval is given for the adoption of the Company's Long Term Incentive Plan for Employees (LTIPE) on the terms and conditions set out in the Explanatory Statement, provided that no more than an additional 10% in aggregate of the underlying securities existing from time to time may be issued as shares in accordance with it, (whether under the LTIPE alone or, in combination with the Company's Long Term Incentive Plan for Directors and Senior Management, if adopted under Resolution 2, above) "

By order of the Board of Macarthur National Ltd:

A handwritten signature in blue ink, appearing to read 'Richard Barton', with a long horizontal stroke extending to the right.

Richard Barton
Company Secretary
4 November 2020

NOTES

1. Entire Notice

The details of the Resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice.

2. Record Date

The Company has determined that for the purposes of the Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm on the date 48 hours before the date of the Meeting. Only those persons will be entitled to vote at the Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

3. Voting at the meeting

You may vote by participating in the Microsoft Teams virtual Meeting or by appointing an attorney (Heading 5 below), a proxy, (Heading 6 below), or corporate representative (Heading 7 below), to participate in the Meeting and vote for you. All voting is by poll, not by show of hands.

4. Voting in person virtually

Shareholders wishing to attend and vote at the virtual Microsoft Teams meeting or their attorneys or in the case of a Shareholder or proxy which is a corporation, corporate representatives, must log in online to participate in the Meeting to be held at 11am (Melbourne time) on Monday 30 November 2020 by following the instructions at Heading 8 below.

All participants in the Meeting should log in online 15 minutes prior to the time designated for the commencement of the Meeting, if possible, to register and to test audio/visual connection.

5. Voting by attorney

In accordance with clause 18.1 of the Constitution, you may appoint an attorney to vote at the Meeting, or two attorneys when entitled to more than one vote, but the original or a certified copy of the power of attorney under which the attorney(s) has been appointed must be received by the Company Secretary no later than 11am (Melbourne time) on Thursday 26 November 2020 (or if the Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Meeting in relation to the resumed part of the Meeting). In accordance with clause 18 the appointment of 2 attorneys must specify the proportion of the shares each attorney represents, or if not specified, each attorney is taken to represent half of the shares.

Any power of attorney granted by a Shareholder will, as between the Company and that Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Shareholder is lodged with the Company.

Your appointment of attorney(s) does not preclude you from participating and voting at the Meeting. The appointment of your attorney(s) is not revoked merely by your participation and taking part in the Meeting, but if you vote on a Resolution, any attorney is not entitled to vote, and must not vote, as your attorney on that Resolution.

6. Proxies

- (a) Votes at the Meeting may be given personally or by proxy, attorney(s) or corporate representative.
- (b) Each Shareholder has a right to appoint a proxy, or two proxies if (e) below applies.
- (c) A proxy need not be a Shareholder of the Company.
- (d) If a Shareholder is itself a company it must execute the appointment of the proxy under its common seal or otherwise in accordance with its constitution or the Corporations Act.
- (e) Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.

- (f) If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands. (all voting at this virtual AGM will be by poll not a show of hands)
- (g) A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority.
- (h) To be effective, proxy forms must be received by the Company Secretary at general@macarthurnational.com.au no later than 11:00 am (AEDT) on Thursday 26 November 2020. Any proxy received after that time will not be valid for the scheduled meeting.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person, but the person appointed as the proxy must then not exercise the rights conferred by the Proxy Form.

7. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting (rather than as a proxy or attorney) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative.

The authority must be sent to the Company Secretary in advance of the Meeting, to general@macarthurnational.com.au by 11am on Thursday 26 November 2020.

8. Joining the Microsoft Teams meeting.

You will be able to join the meeting on your computer if you have an internet connection and your computer has speakers and if you want to be able to speak, a microphone and speakers. If your computer also has a 'webcam' you will be able to be seen as well.

- **If you are reading this on screen:**

If you have received this notice by downloading it from the website and you are viewing it electronically – you will be able to join the meeting by clicking on one of the links in blue text on the following page. The picture below is just to help you to identify it on following pages – it is not the link:

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

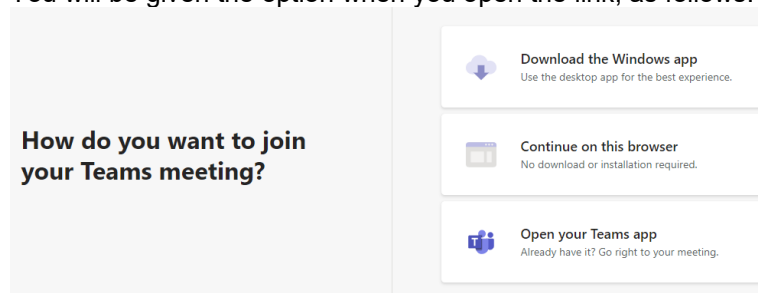
- **If you are reading this as a printed page:**

You will need to copy the following link into your computer's web browser's search bar:

www.macarthurnational.com.au

Once you have reached the website – follow the link for the meeting and then proceed as follows:

You can either use the Microsoft Teams App after downloading it, or, use Teams on a web browser: You will be given the option when you open the link, as follows:



Tip 1: If you are on a Mac, you will still be given these options with the Mac version of Teams.

Tip 2: If you are an existing Teams member logged in to your own organization, you *may* have trouble joining this meeting unless you first sign out of your own organization. If after a couple of tries you are having trouble, we suggest opening Teams, signing out of your organization, and trying the sequence again.

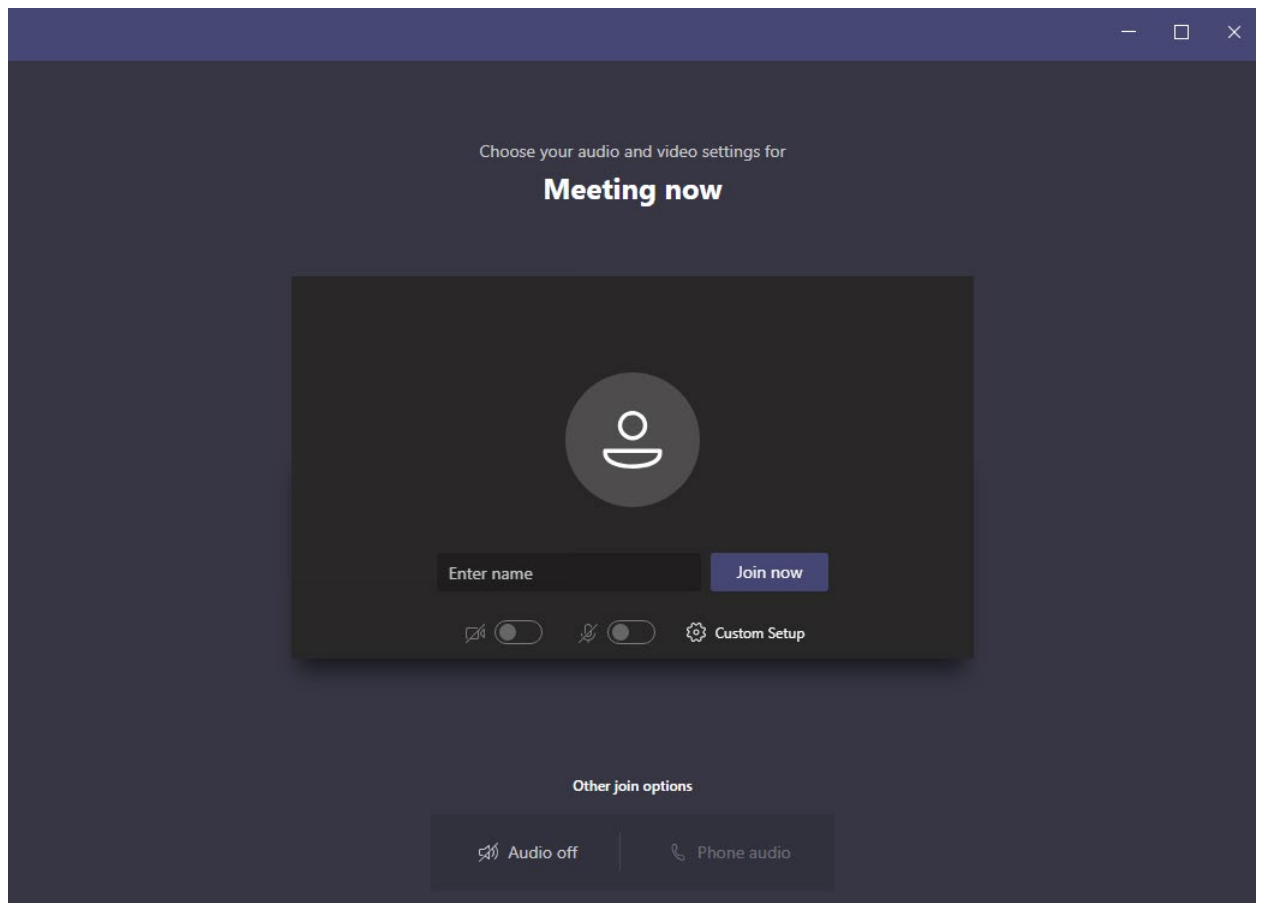
Once you have taken the first step to join the meeting – and please do so at least 15 minutes before the meeting to allow us time to verify that you are a shareholder, please enter your “Shareholder Name”:

Please note: If you own the shares yourself, in your own right as an individual, your Shareholder Name is your personal name – but you must type in your First Name and Surname – not nicknames. If you are a joint shareholder with someone else, please type in both names one after the other.

If the shares are not owned by you personally, but are owned by a Company, joint venture, Superannuation Fund (SMSF or otherwise), you must type in the name of the entity that owns them – not your personal name.

Identifying yourself properly for this is very important as you will not be allowed in unless we can verify you as a Shareholder.

We will make every reasonable effort to correlate your typed name to our Shareholder Register, but we will not spend inordinate time on this at the risk of another shareholder being unable to join.



When you have done that and joined, you will be taken to a virtual lobby, where you will need to wait until we have identified you as a shareholder and allowed you to join the meeting from the lobby.

BELOW IS THE ACTUAL LINK FOR THE MEETING

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

9. Shareholders are invited to contact the Company Secretary, Mr Richard Barton, on 03 9828 0500 or at <mailto:rbarton@macarthurnational.com.au> if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

1 BACKGROUND

1.1 Introduction

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business of the Meeting.

The purpose of the Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions set out in the accompanying Notice. It explains the Resolutions and identifies the Board's reasons for putting them to Shareholders.

1.2 Action to be taken by Shareholders

Shareholders should read this Explanatory Statement before deciding how to vote on the Resolutions set out in the Notice.

All Shareholders are invited and encouraged to attend the virtual Meeting on Microsoft Teams – see instructions in the Notes section above.

If Shareholders are unable to attend, there are options of Proxy, Attorney, or if the shares are company owned – company representation.

An Attorney can attend if appointed under a Power of Attorney – provided it is lodged in time – please see Heading 5 in the Notes above.

The Proxy Form should be completed, signed and returned to the Company in accordance with the instructions contained in the Proxy Form and the Notes Heading 6, above.

A company authorisation must be received in accordance with the Notes Heading 7, above.

2 RESOLUTIONS

BACKGROUND – FINANCIAL STATEMENTS AND REPORTS

No Resolution is required on the Company’s financial statements.

The audited financial statements are contained within the Annual Report issued to shareholders in October.

An electronic copy of the Annual Report can be downloaded at this link

www.macarthurnational.com.au

2.1 RESOLUTION 1 – ELECTION OF DIRECTOR – MR DENNIS WILKIE

2.1.1 Background

Pursuant to clause 19.5 of the Company’s constitution, the Board has recommended the appointment of Mr Dennis Wilkie as a Director of the Company.

Clause 19.4(a) provides that the Directors may at any time and from time to time appoint any person as a Director as an addition to the Board, provided that the maximum number of Directors does not exceed 10.

Further, clause 19.4(b) provides that any Director appointed under clause 19.4(a) may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting.

Mr Wilkie was appointed as a Director in March 2020. In accordance with clause 19.4(b) of the Company's constitution, the Board seeks Shareholder approval to re-elect Mr Wilkie as a Director.

Mr Dennis Wilkie has consented to be a Director, subject to the passing of this Resolution.

2.1.2 Additional information for Shareholders

Name: Mr Dennis Wilkie

Title: Director

Qualifications: MBA

Experience and expertise: Mr Wilkie has over 40 years’ experience in Australian and international capital markets.
He has specific experience in corporate advisory, private equity and all forms of capital raising both listed and unlisted, including raising capital for three large scale renewable energy infrastructure projects in Australia and overseas. He has a strong understanding of the challenges of start-up and early stage growth companies, including acquisition and disposal. He is active and experienced Board Director well versed across a diverse range of industries including IT, labour hire, property and hydro power generation.

Special Responsibilities: Member of the Company’s audit committee

2.1.3 Recommendation

The Directors recommend the Shareholders vote in favour of this Resolution.

2.2 RESOLUTION 2 – ADOPTION OF LTIP for DIRECTORS AND SENIOR MANAGEMENT

2.2.1 Background

The Company has adopted the Long Term Incentive Plan (**LTIPDSM**) in order to assist in the motivation and retention of Company Directors and Senior Management. The LTIPDSM is designed to align the interests of eligible participants more closely with the interests of the Company by providing an opportunity for eligible participants to receive an equity interest in the Company. Under the LTIPDSM, eligible participants may be offered performance rights, options, loan shares, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.

This Resolution is an ordinary resolution that provides for the adoption of the LTIPDSM to provide ongoing incentives to any eligible participant of the Company or any of its subsidiaries (including a Director or Senior Management), who is determined by the Board to be eligible to receive grants of securities under the LTIPDSM (**Eligible Participants**).

The aggregate number of shares which can be issued under the plan (or in combination with the associated plan for employees, if it exists,) in any class of shares offered by the company from time to time, is no more than 10%.

2.2.2 Key Terms

The key terms of the Equity Incentive Plan are set out below.

Eligible Participant Rights

1. Under the LTIPDSM, the Company may offer or issue to an eligible participant, the following Eligible Participant Rights, or combination of them:
 - (a) **performance rights:** a right to be issued or provided with a Share at nil issue price on specific vesting conditions being achieved;
 - (b) **options:** a right to be issued or provided with a Share on payment of an exercise price and which can only be exercised if specific vesting conditions are achieved;
 - (c) **loan shares:** Shares issued subject to a limited recourse loan and at nil interest rate, subject to specific vesting conditions;
 - (d) **deferred share awards:** Shares issued to Eligible Participants:
 - (i) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
 - (ii) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment; or
 - (e) **exempt share awards:** Shares issued for no consideration or at an issue price which is a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) from time to time) of the total value or discount received by each Eligible Participant will be exempt from tax.

2. The aggregate number of employee rights (for this purpose considered to be equivalent to shares) which can be issued under the plan in any class of shares offered by the Company from time to time, (or in combination with the associated plan for Directors and Senior Management, if it exists,) is no more than 10%.

Eligible Participants

Eligible Participant Rights may be granted at the discretion of the Board and subject to Company shareholder approval to any person who is a director or senior management of the Company.

Price

The Board has discretion to determine the issue price and/or exercise price for the Eligible Participant Rights. Any distribution paid by the Company will reduce the amount owed for the Rights by the Eligible Participant.

Vesting and exercise of Eligible Participant Rights

The Eligible Participant Rights held by a participant will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the LTIPDSM. Vesting conditions may be waived at the discretion of the Board.

Change of control

In the event a takeover bid is made to acquire all of the Shares on issue, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid, the Board may waive unsatisfied vesting conditions in relation to some or all Eligible Participant Rights. Further, if a takeover bid is made to acquire all of the Shares on issue, participants may accept the takeover bid in respect of any Eligible Participant Rights (other than exempt share awards) which they hold notwithstanding the restriction period in respect of those Eligible Participant Rights has not expired.

Claw-back

If any vesting conditions of an Eligible Participant Rights are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the LTIPDSM, the Board may determine that the relevant Eligible Participant Rights expire (if not yet exercised), or it may otherwise recover from the participant some or all Shares issued upon exercise of the Eligible Participant Rights or any proceeds received from the sale of those shares.

Variation of Share capital

If prior to the exercise of an Eligible Participant Right, the Company undergoes a reorganisation of capital or bonus issue, the terms of the Eligible Participant Right will be changed to the extent necessary to comply with the ASX Listing Rules (if those Rules apply to Macarthur at the relevant time).

Copies of the plan are available on request.

2.3 RESOLUTION 3 – ADOPTION OF LTIP for Employees

2.3.1 Background

The Company has adopted the Long Term Incentive Plan for Employee (**LTIFE**) in order to assist in the motivation and retention of selected Company employees. The LTIFE is designed to align the interests of eligible employees more closely with the interests of the Company by providing an opportunity for eligible employees to receive an equity interest in the Company. Under the LTIFE, eligible employees may be offered performance rights, options, loan shares, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.

This Resolution is an ordinary resolution that provides for the adoption of the LTIPE to provide ongoing incentives to any full time or part time employee of the Company or any of its subsidiaries (including a Director or company secretary of the Company subsidiaries who is not also a Director or Senior Management of the Company who holds salaried employment with the Company or its subsidiaries on a full or part time basis), or a consultant, who is determined by the Board to be eligible to receive grants of securities under the LTIPE (**Eligible Employee**).

The aggregate number of employee rights (for this purpose considered to be equivalent to shares) which can be issued under the plan in any class of shares offered by the Company from time to time, (or in combination with the associated plan for Directors and Senior Management, if it exists,) is no more than 10%.

2.3.2 Key Terms

The key terms of the Equity Incentive Plan are summarised below.

Employee Rights

- 1 Under the LTIPE, the Company may offer or issue to Eligible Employees, the following Employee Rights, or combination of them:
 - (a) **performance rights:** a right to be issued or provided with a Share at nil issue price on specific vesting conditions being achieved;
 - (b) **options:** a right to be issued or provided with a Share on payment of an exercise price and which can only be exercised if specific vesting conditions are achieved;
 - (c) **loan shares:** Shares issued subject to a limited recourse loan and at nil interest rate, subject to specific vesting conditions;
 - (d) **deferred share awards:** Shares issued to Eligible Employees:
 - (iii) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
 - (iv) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment; or
 - (e) **exempt share awards:** Shares issued for no consideration or at an issue price which is a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) from time to time) of the total value or discount received by each employee will be exempt from tax.
3. The aggregate number of employee rights (for this purpose considered to be equivalent to shares) which can be issued under the plan in any class of shares offered by the Company from time to time, (or in combination with the associated plan for Directors and Senior Management, if it exists,) is no more than 10%.

Eligible Employees

Employee Rights may be granted at the discretion of the Board to any person who is an employee, officer, director or consultant of a member of the Group.

Price

The Board has discretion to determine the issue price and/or exercise price for the Employee Rights. Any distribution paid by the Company will reduce the amount owed for the Employee Rights by the Eligible Employee.

Vesting and exercise of Employee Rights

The Employee Rights held by a participant will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the LTIP. Vesting conditions may be waived at the discretion of the Board.

Change of control

In the event a takeover bid is made to acquire all of the Shares on issue, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid, the Board may waive unsatisfied vesting conditions in relation to some or all Employee Rights. Further, if a takeover bid is made to acquire all of the Shares on issue, participants may accept the takeover bid in respect of any Employee Rights (other than exempt share awards) which they hold notwithstanding the restriction period in respect of those Employee Rights has not expired.

Claw-back

If any vesting conditions of an Employee Rights are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the LTIP, the Board may determine that the relevant Employee Rights expire (if not yet exercised), or it may otherwise recover from the participant some or all Shares issued upon exercise of the Employee Rights or any proceeds received from the sale of those shares.

Variation of Share capital

If prior to the exercise of an Employee Right, the Company undergoes a reorganisation of capital or bonus issue, the terms of the Employee Right will be changed to the extent necessary to comply with the ASX Listing Rules (if those Rules apply to Macarthur at the relevant time).

Copies of the plan are available on request.

OTHER INFORMATION

2.4 Scope of disclosure

The Company is required to provide to Shareholders all information which is known to the Company that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interest to pass the Resolutions.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions, other than as is disclosed in the Explanatory Statement or previously disclosed to Shareholders.

2.5 Recommendation

Except as otherwise stated, the Directors unanimously recommend that, in the context of the Company's current circumstances, Shareholders should vote to approve all of the Resolutions to be put to the Meeting.

However, Shareholders must decide for themselves how to vote based on the matters set out in the Explanatory Statement.

3 GLOSSARY

Capitalised terms used in the Notice and the Explanatory Statement have the following meanings:

\$ means Australian dollars (unless otherwise indicated to the contrary);

Board means the board of Directors from time to time;

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice;

Company, Macarthur or MNL means Macarthur National Limited ACN 633 180 346;

Constitution means the constitution of the Company as at the date of the Notice;

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

CVC Venture Managers means CVC Venture Managers Pty Ltd ACN 606 868 017;

Director(s) means the directors of the Company from time to time;

Explanatory Statement means the explanatory statement that accompanies the Notice;

Group means Macarthur and its subsidiaries;

LTIPDSM means the Long Term Incentive Plan proposed to be adopted by the Company for Directors and Senior Management;

LTIFE means the Long Term Incentive Plan proposed to be adopted by the Company for Eligible Employees;

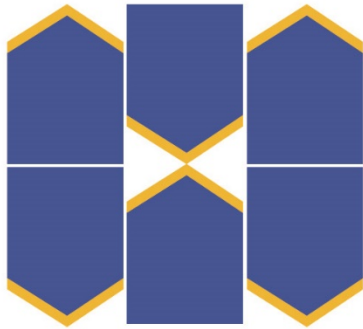
Meeting means the meeting of the Company to be held at 68 Dorcas Street, Southbank VIC 3006 on Monday 30 November 2020 at 11:00am (AEST);

Notice means the notice convening the Meeting;

Proxy Form means the proxy form accompanying the Notice;

Resolution means a resolution to be voted on at the Meeting, the details of which are set out in the Notice;

Senior Management means the Chief Executive Officer, Chief Financial Officer and any other Chief Officer of the Company from time to time.



MACARTHUR NATIONAL LIMITED

ACN: 633 180 346
Address: 68 Dorcas St
Southbank VIC 3006
Telephone: 61 3 9828 0500
Facsimile: 61 3 9828 0550
Email: general@macarthurnational.com.au

Website:

www.macarthurnational.com.au
