



10 June 2020

Dear Shareholder

Please find **enclosed** notice of Aorere Resources Limited (**Company**) special meeting of shareholders which will be held online on 25 June 2020 through the virtual meeting platform using the following link [www.virtualmeeting.co.nz/aor20](http://www.virtualmeeting.co.nz/aor20), starting at 10:30 am. You will be able to vote and ask questions at the virtual meeting.

If you have sold or otherwise transferred all of your Shares in the Company, please pass this Notice of Meeting and the accompanying documents as soon as possible to the purchaser, the transferee or the broker or other person who arranged the sale or transfer of your Shares.

### **Background**

Since listing, the Company has operated as an investment company. The Company wholly owns Widespread Limited (**Widespread**) and, through Widespread's wholly owned subsidiary Mineral Investments Limited, holds shares in the NZX listed company Chatham Rock Phosphate Limited and TSX.V listed company Asian Mineral Resources Limited. The Company has no active trading operations. While the shares held in Chatham Rock Phosphate Limited and Asian Mineral Resources Limited remain promising investments, the costs associated with maintaining an NZX listing outweigh the Company's current size and operations.

The Company's Board has been exploring opportunities to leverage and unlock the value of the Company's NZX listing while still retaining control of the Company's existing assets. This has led to the Company entering into a conditional agreement to undertake the transactions described below.

### **The Proposed Transactions**

The resolutions being put forward at the meeting are intended to approve transactions whereby:

- The Company transfers its remaining assets and novates all liabilities to Widespread (**Asset Transfers**);
- The Company conducts an in-specie distribution of all of the shares in Widespread to the Company's Shareholders on a pro-rata basis for nil consideration (**Widespread In-Specie Distribution**). This means the Company's Shareholders will own shares in Widespread in the same proportion as they own Shares in the Company currently, while still owning their Shares in the Company;
- The Company acquires 100% of the shares on issue in All Industrial Network Limited, a company registered in Australia with Australian Company Number 633 811 579 (**AIN**) (the **Purchase**) for consideration of NZD\$53,160,387. The Company will satisfy the consideration by issuing 53,160,387 fully paid ordinary Shares in the Company at NZD\$1 per share (the **Consideration Shares**); and
- The Company issues to the new Chief Financial Officer, Troy Donovan, 256,000 fully paid ordinary Shares in the Company at NZD\$1 per Share (the **Management Shares**),

(together, the **Proposed Transactions**).

In addition to the Proposed Transactions, the resolutions being put forward at the meeting are intended to approve the following actions:

- The Company issues to certain new and continuing Directors (being Chris Leon, Chris Castle and Jill Hatchwell) fully paid ordinary Shares in the Company at NZD\$1 per Share (the **Director Shares**);
- The Company increases the aggregate maximum amount of fees that can be paid to Directors to reflect the Company's change in commercial operations and Directors' increased scope of duties; and
- The Company amends its constitution to incorporate the ASX Listing Rules in preparation for applying to the ASX for admission to the official list of the ASX and for quotation of its Shares on the ASX when market conditions are considered suitable (as further described in the Explanatory Notes to this Notice of Meeting).

The Proposed Transactions and the issue of Director Shares will result in the introduction of AIN's shareholders and other third parties as new shareholders to the Company. Existing Shareholders in the Company will retain their Shares in the Company (with their shareholding significantly diluted due to the issue of new Shares).

The Proposed Transactions will also result in:

- the Company changing its company name to "SMW Group Limited" and its NZX ticker code from "AOR" to "SMW";
- the appointment of Chris Leon, John (Jack) Trenaman, Oliver Sabu and Greg Kern as Directors and the resignations of Simon Henderson, Peter Liddle and Linda Sanders (with Chris Castle and Jill Hatchwell remaining on the Board as New Zealand based Directors);
- the Company changing its balance date from 31 March to 30 June; and
- the Company moving its management and control to Australia, therefore becoming a tax resident in Australia from Completion. The Company will have dual tax residency from Completion given it will remain incorporated in New Zealand. The Company considers that the NZ-Australia Double Tax Agreement should apply to alleviate any double taxation.

As a result of the Proposed Transactions, the Company's business will change to that of developing and operating business interests in the mining support, construction and engineering services industries, which is in line with AIN's business interests and expertise.

### **Profile and Independent Report**

Accompanying this Notice of Meeting is a listing profile (**Profile**) which describes the intended assets and business of the Company if the Company's shareholders approve the resolutions at the meeting. The Profile also provides financial information and risk factors that the Company's shareholders should consider as part of their voting decision.

Also accompanying this Notice of Meeting is an independent report by Simmons Corporate Finance Limited (**Independent Report**). This report assesses the merits of the Proposed Transactions for the Company's shareholders.

### **Valuations and Transaction Consideration**

The Company will acquire the AIN shares through the issue of the Consideration Shares.

Prior to completion of the Proposed Transactions (**Completion**), the Company's share capital will be consolidated using a consolidation factor of 4138.489605:1 (subject to rounding of individual shareholdings up to a whole number of shares) (**Share Consolidation**).

Following the Share Consolidation and on Completion, the Company will issue the Consideration Shares, which will comprise of the issue of 53,160,387 fully paid ordinary Shares in the Company at a price of NZD\$1 per Share.

The relevant transaction valuations are:

- the AIN shares will be valued at NZD\$53,160,387; and
- the Company's shell will be valued at NZD\$400,000<sup>1</sup>, which excludes any value attributable to Widespread (which the Company's current Shareholders will own in the same proportion as they own the Company currently).

Based on these valuations, and taking into account the issue of the Consideration Shares, Director Shares and Management Shares, the Company's current Shareholders together will have approximately a 0.74% shareholding interest in the Company following Completion and the issue of Director Shares.

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<sup>1</sup> The parties to the Proposed Transaction negotiated and agreed a value for the Company's shell at NZD\$1,000,000, with up to NZD\$600,000 to be paid to the Company as cash consideration and NZD\$400,000 to be retained by the Company's Shareholders as equity in the Company.

## **Continuation of Aorere and Acquisition Strategy**

Prior to Completion, the Company will transfer its current assets and novate all liabilities to its wholly owned subsidiary Widespread.

The Company will then conduct the Widespread In-Specie Distribution. Under the Widespread In-Specie Distribution the Company will distribute all of Widespread's shares to the Company's Shareholders as at the Record Date on a pro-rata basis for nil consideration. This means that the Company's existing Shareholders will own all the shares in Widespread in the proportion they own Shares in the Company currently.

The Record Date for the Widespread In-Specie Distribution will be at least two Business Days before Completion. This means that entitlement to the Widespread In-Specie Distribution and therefore the shares in Widespread crystallises before the issue of any new Shares and, as a result, only the Company's existing Shareholders at that Record Date (and not AIN's shareholders) will receive Widespread shares.

On Completion, the Company will change its name to "SMW Group Limited" and will release the company name "Aorere Resources Limited" for Widespread to use.

Widespread will be an unlisted widely-held company, but Widespread intends to publicly quote its shares on the Unlisted Securities Exchange within one month of Completion. A listing on the Unlisted Securities Exchange will provide Shareholders with liquidity opportunities, but without the additional protection provided by Part 5 of the Financial Markets Conduct Act 2013 (in relation to insider trading, market manipulation, continuous disclosure, substantial holding disclosure, relevant interests disclosures and the Financial Market Authority's monitoring of market obligations).

Widespread's directors are Chris Castle, Jill Hatchwell and Linda Sanders, all current Directors of the Company.

After Completion, Widespread will continue the Company's current investment and acquisition strategy of investing into opportunities in the mining and resources sector. The current and acquisition strategy is twofold:

- identifying long term capital growth opportunities in embryonic mining and resources operations and providing seed funding as an early stage investor in exchange for equity stakes; and
- engaging in shorter-term capital growth opportunities in global mining sector companies.

To maintain shareholder engagement, shareholders of Widespread will be informed of Widespread's strategies and processes by circulating any key updates to shareholders electronically. Widespread has engaged Link Market Services Limited to maintain Widespread's share register and assist in the dispatch of communications to its shareholders.

## **Benefits of the Proposed Transactions**

The Board considers the Proposed Transactions to be of significant benefit to the Company's Shareholders for the following reasons:

- the Proposed Transactions introduce substantial established assets, business operations and growth prospects into the Company with a focus on the mining support, construction and engineering services industries;
- the Proposed Transactions enable the Company's existing Shareholders to, without dilution, continue to own an equivalent proportionate interest in the Company's current business and assets through their distributed shareholding in Widespread, as well as holding a shareholding in the Company (and its new business and assets) at no additional cost; and
- when market conditions are appropriate (as further described in the Explanatory Notes to this Notice of Meeting), the Company intends to apply to the ASX for admission to the official list of the ASX and for quotation of its Shares on the ASX. If the Company so applies and the application is successful, the Company will become a dual listed company on both the NZX and the ASX and therefore the Company's Shareholders will be able to trade their Shares in the Company on the ASX in addition to on the NZX.

The Board considers that the Proposed Transactions provide a very worthwhile set of opportunities for the Company's Shareholders and believes the Proposed Transactions are in their best interests.

The main potential negative implications of the Proposed Transactions for the Company's Shareholders are outlined on page 12 of the Independent Report and are:

- the risk profile of the Company will change to reflect the business risks associated with AIN's business.
- the holders of the Consideration Shares and Management Shares will have significant influence over the Company from Completion, including the ability to pass ordinary and special resolutions between them (subject to any applicable voting restrictions).
- existing Shareholders will have their shareholdings in the Company substantially diluted.

The effects of the Proposed Transactions are further described on page 20 of the Explanatory Notes of this Notice of Meeting under the heading "*Effect of Resolutions*".

### **Approvals Sought**

Shareholder approval is necessary in order to proceed with the Proposed Transactions. A description of the Proposed Transactions and the requirements for the resolutions to be considered at the meeting are set out in this Notice of Meeting.

The resolutions being put forward at the meeting will, if passed, authorise the Board to:

- proceed under the NZX Listing Rules, Takeovers Code and the Companies Act 1993 with the Asset Transfers, the Widespread In-Specie Distribution and the Purchase of AIN;
- undertake the issue of Management Shares in consideration for Troy Donovan's appointment as Chief Financial Officer;
- undertake the issue of Director Shares in consideration for the appointment or continued appointment of certain new and continuing directors (being Chris Leon, Jill Hatchwell and Chris Castle);
- enter new remuneration and incentive arrangements for Directors where director remuneration reflects the scale of the Company's new business and is at a level sufficient to maintain Directors with relevant expertise and further strengthen governance; and
- amend the constitution so that the Company will comply with the ASX Listing Rules should the Company apply for admission to the official list of the ASX in the future (subject to market conditions).

If approved, the Proposed Transactions will result in the essential nature of the Company's business changing to focus on operating and developing business interests in mining support, construction and engineering services industries.

### **Board Recommendation**

The Board considers that the Proposed Transactions are in the Company's and its Shareholders' best interests and the Board unanimously recommends that Shareholders vote in favour of the resolutions outlined in this Notice of Meeting.

The Board encourages you to read this Notice of Meeting, together with the Profile and Independent Report, consult with your financial or professional adviser if you have any questions about the resolutions and to exercise your right to vote.

The **enclosed** proxy form has detailed instructions on how Shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend the meeting online. Shareholders may submit specific questions to the Board at any time in advance of the meeting by emailing them to Chris Castle at [chris@widespread.co.nz](mailto:chris@widespread.co.nz)



Peter Liddle  
**Chair**

## NOTICE OF SPECIAL MEETING

Notice is hereby given that a special meeting (**Meeting**) of Shareholders of Aorere Resources Limited (**Company**) will be held online on 25 June 2020 through the virtual meeting platform using the following link [www.virtualmeeting.co.nz/aor20](http://www.virtualmeeting.co.nz/aor20), starting at 10:30 am. You will be able to vote and ask questions at the virtual meeting.

Capitalised terms used in this Notice of Meeting have the meaning given to them in the Glossary commencing on page 31 of this Notice of Meeting.

### AGENDA

- A. Chair's introduction.
- B. Presentation to Shareholders.
- C. Shareholder discussion.
- D. Resolutions.

### RESOLUTIONS

To consider and, if thought fit, to pass the following Special Resolution:

1. **Approval of Proposed Transactions:** That under NZX Listing Rules 4.2.1(a) (*issue of equity securities*), 5.1.1(a) (*change in nature of business*) and 5.1.1(b) (*acquisition of material assets*), Rule 7(d) (*allotment of voting securities*) of the Takeovers Code and section 129 of the Companies Act 1993, the Company is authorised to:
  - a) undertake the Asset Transfers and the Widespread In-Specie Distribution; and
  - b) acquire 100% of the shares on issue in AIN and issue fully paid ordinary Shares as consideration for that acquisition and in respect of the Management Shares,on the terms further described, and on such additional terms as are not inconsistent with the terms set out, in this Notice of Meeting.

To consider and, if thought fit, to pass the following Ordinary Resolutions:

2. **Approval of Director Shares:** That under NZX Listing Rule 4.2.1(a) (*issue of equity securities*), the Company is authorised to:
  - a) issue 256,000 Shares to Chris Leon under the Purchase Agreement at an issue price of NZD\$1 per Share;
  - b) issue 25,000 Shares to Chris Castle under the Purchase Agreement at an issue price of NZD\$1 per Share;
  - c) issue 25,000 Shares to Jill Hatchwell under the Purchase Agreement at an issue price of NZD\$1 per Share,on the terms further described, and on such additional terms as are not inconsistent with the terms set out, in this Notice of Meeting.
3. **Approval of Directors Remuneration:** That under NZX Listing Rules 2.11.1 (*directors' remuneration*) and 2.11.2(b) (*directors' remuneration through an issue of equity securities*) the Company is authorised to increase the aggregate maximum amount of fees that can be paid to Directors from NZD\$84,000 to AUD\$500,000 in each financial year, with effect from completion of the Proposed Transactions and with such remuneration permitted to be paid, in whole or in part, in cash or by way of an issue of equity securities in accordance with NZX Listing Rule 4.7.

To consider, and if thought fit, to pass the following Special Resolution:

4. **Amendment of Constitution:** That under section 32 of the Companies Act, the Company's Constitution be amended in the manner described in the Notice of Meeting with effect from the date of this special resolution being passed.

## PROCEDURAL NOTES

### Interdependence of Resolutions

All Resolutions in this Notice of Meeting are interdependent and all must be passed in order for the Proposed Transactions, issue of Director Shares, increase in Directors' remuneration and amendment of Constitution to be approved. If any Resolution is not passed then no other Resolutions put to Shareholders at the Meeting will be treated as having been passed.

### Relationship to Market Price

As at 4 April 2020 (being the day before the Purchase Agreement was entered into) the price of a Share on the NZX was NZD\$0.001.

The proposed share issues under Resolution 1 and Resolution 2, to be undertaken following the Share Consolidation, will be undertaken at a price per Share of NZD\$1.00. This represents a discount of approximately 76% from the market price of a Share of NZD\$4.14, adjusted for the Share Consolidation, at the time the Proposed Transactions were announced to the NZX.

However, the Board does not consider NZD\$4.14 (adjusted for the Share Consolidation) represents the market price for the Company's Shares, noting that shares on the NZX cannot trade at less than NZD\$0.001 which artificially inflates the Company's Share price. As at 31 March 2020, the Company had negative net tangible assets.

### Proxies

Any Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend virtually and vote on their behalf. A corporation which is a Shareholder may appoint a representative to attend the Meeting online on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a Shareholder of the Company. A Proxy Form can be returned by delivery, mail, email, fax, or online (as set out below).

The Chairperson of the Meeting and any of the Directors are prepared to act as proxy. Where they are appointed as discretionary proxy and are not prohibited from voting, each of the Directors intends to vote in favour of all of the Resolutions. Voting restrictions apply to each of the Directors as detailed below and Shareholders are encouraged to give express voting directions to any Director that they appoint as their proxy.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by delivery, mail, email or fax to the Company's share registrar:

**By delivery:**

Aorere Resources Limited  
C/- Link Market Services Limited  
Level 11, Deloitte Centre  
80 Queen Street  
Auckland 1010

**By mail:**

Aorere Resources Limited  
C/- Link Market Services Limited  
PO Box 91976  
Victoria Street West  
Auckland 1142

**By email:** [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz) (please put the words "Aorere Resources Limited Proxy Form" in the subject line for easy identification)

**By fax:** +64 9 375 5990

You may also lodge your proxy online at <https://investorcentre.linkmarketservices.co.nz/voting/AOR>. You will require your CSN/Holder Number and FIN to complete your proxy appointment. A Shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by Link Market Services no later than 48 hours before the Meeting, being 10:30 am on 23 June 2020. Online proxy appointments must also be completed by this time. Registered Shareholders at that time will be the only persons entitled to vote at the Meeting and only the Shares registered in those Shareholders' names at that time may be voted at the Meeting.

## Ordinary Resolutions

Resolutions 2 and 3 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those Shareholders entitled to vote and voting on the resolutions in person or by proxy.

## Special Resolutions

Resolutions 1 and 4 are special resolutions. A special resolution is a resolution passed by a majority of 75% or more of the votes of those Shareholders entitled to vote and voting on the resolution in person or by proxy.

Resolution 1 involves approval for a major transaction under the Companies Act and, if it is passed, then any Shareholder that has cast all the votes attached to the Shares registered in that Shareholder's name and having the same beneficial owner against Resolution 1, is entitled to require the Company to purchase those Shares in accordance with section 110 of the Companies Act (**Minority Buy-Out Rights**). Appendix One to this Notice of Meeting sets out the procedure for Minority Buy-out Rights.

If this right is validly exercised by any Shareholders, the Companies Act provides for the Company to acquire (or procure the acquisition of) the relevant Shares at a fair and reasonable price as at the close of business on 24 June 2020 (being the day before the day of the Meeting), disregarding any value attributable to the Shares as a result of the Proposed Transactions.

It is likely the Board will set the fair and reasonable price for the relevant Shares based on the Company's net tangible asset value as at close of business on 24 June 2020, which is expected to be a negative amount. This implies a highly nominal value per Share.

Shareholders that wish to exercise their Minority Buy-Out Rights should note that they will still be distributed shares in Widespread, because the Record Date for entitlements is the day before the Meeting.

If the Company's Shareholders do not want to participate in the Proposed Transactions, they should not exercise their Minority Buy-Out Rights and should instead exercise their Voluntary Acquisition Rights. This will provide more value. For further information on Voluntary Acquisition Rights, refer to the section headed "Voluntary Acquisition Rights" on page 17 of this Notice of Meeting.

Shareholders who become entitled to exercise their Minority Buy-Out Rights are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if they do desire to exit their shareholding, seek advice on whether better value for the Shares may be obtained by selling on-market or by exercising the Voluntary Acquisition Rights.

Resolution 1 also approves the Proposed Transaction under Listing Rule 5.1.1(a) and (b). Because the Proposed Transaction requires approval by special resolution under section 129 of the Companies Act, Listing Rule 5.1.1(c) requires that the Listing Rule 5.1.1(a) and (b) approvals are also obtained by special resolution.

## Voting Restrictions

In relation to Resolution 1 and pursuant to NZX Listing Rule 6.3.1 and Rule 17 of the Takeovers Code, the Kern Persons, SMW Persons, BAE Persons and Troy Donovan and their respective Associated Persons and Associates are prohibited from voting any Shares that they hold.

In relation to Resolution 2 and pursuant to NZX Listing Rule 6.3.1, Chris Leon, Jill Hatchwell and Chris Castle and their respective Associated Persons and Associates are prohibited from voting any Shares that they hold.

In relation to Resolution 3 and pursuant to NZX Listing Rule 6.3.1, the current Directors (Chris Castle, Simon Henderson, Peter Liddle, Jill Hatchwell and Linda Sanders) and their respective Associated Persons and the Directors-Designate (Chris Leon, Jack Trenaman, Oliver Sabu and Greg Kern) and their respective Associated Persons are prohibited from voting any Shares that they hold.

Under the Takeovers Code, "associates" are, in summary, where the persons (or through a third person) are acting jointly or in concert, are related companies, have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates or where one person (or through a third person) acts or is accustomed to act in accordance with the other person's wishes.

Under the NZX Listing Rules, "Associated Persons" are, in summary, a person who: can, directly or indirectly, exert a substantial degree of influence over the other person; has, directly or indirectly, the power to exercise or control the exercise of more than 50% of the votes attaching to another person's shares; is a relative or



related body corporate to the other person; is a partner under the Partnerships Act 1908 with the other person, is a director or senior manager of another person; or is acting jointly or in concert with another person.

The Company will disregard any votes cast on Resolutions 1, 2 and 3 by any persons to whom the foregoing applies. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid.

### **Interested Directors**

Chris Castle and Jill Hatchwell are *interested* in Resolution 2 given it relates to the issue of Shares to them. Chris Castle and Jill Hatchwell have however been permitted to vote on and be counted in a quorum for a board meeting in connection with Resolution 2 on the basis of NZX Listing Rule 2.10.2.

Every Director is *interested* in Resolution 3 given that it relates to Director remuneration. The Directors have however been permitted to vote on and be counted in a quorum for a board meeting in connection with Resolution 3 on the basis of NZX Listing Rule 2.10.2.

### **Independent Report**

Accompanying this Notice of Meeting is the Independent Report. The Independent Report has been prepared by Simmons Corporate Finance Limited and constitutes an appraisal report for the purposes of the NZX Listing Rules and a report from an independent adviser for the purposes of the Takeovers Code. Shareholders are urged to read the Independent Report in full.

### **Profile**

A Profile as required under NZX Listing Rules 1.11.1 and 7.3.1 accompanies this Notice of Meeting. The Profile discloses particulars of the Company's assets and business as if the resolutions are approved. The Profile is forward looking and assumes:

- the Resolutions contained in this Notice of Meeting have all been passed; and
- the Proposed Transactions and other matters are implemented on the basis set out in this Notice of Meeting.

### **NZX No Objection**

This Notice of Meeting has been reviewed by NZX. NZX has confirmed it has no objection to this Notice of Meeting.

## EXPLANATORY NOTES

### INTRODUCTION

The Company is an investment company with no active business operations. As explained in the Chair's letter, the costs in maintaining the Company's listing on the NZX outweigh the Company's size and business operations.

To provide new value opportunities for Shareholders, the Board has been investigating opportunities for the Company to realise the value in its NZX listing. These investigations have led to the opportunity to pursue the Proposed Transactions and re-focus the Company's business operations into mining support, construction and engineering services.

A profile of the Company including its history is provided in section 29 of the Independent Report.

#### *Key Dates*

Key dates for the Proposed Transactions are as follows:

Widespread In-Specie Distribution and Share Consolidation Record Date	5pm on 24 June 2020
Company Shareholder Meeting	10:30 am on 25 June 2020
Asset Transfers take effect	12pm on 25 June 2020
Widespread In-Specie Distribution takes effect	5pm on 25 June 2020
Share Consolidation takes place	6pm on 25 June 2020
Expected Completion Date for the Purchase, allotment of Consideration Shares and allotment of Management Shares and Director Shares	26 June 2020
Notice of compulsory acquisition given to Takeovers Panel and acquisition notice sent to the Company's Shareholders	26 June 2020
Trading suspension lifted on the Company Shares and they resume trading on the NZX Market	Market open on 29 June 2020
Consideration Shares, Management Shares and Director Shares expected to commence trading on the NZX	29 June 2020
Change of name of the Company to 'SMW Group Limited'	29 June 2020
Last day for Shareholders to exercise Minority Buy-Out Rights	9 July 2020
Last day for Shareholders to exercise Voluntary Acquisition Rights	20 July 2020

These dates and references to them throughout this document are indicative only and may change. The Company reserves the right to change the dates without prior notice, subject to applicable law and the NZX Listing Rules.

#### *The Proposed Transactions*

On 5 April 2020, the Company entered into the Purchase Agreement with the persons who will be AIN's shareholders at Completion (being the Kern Persons, SMW Persons and BAE Persons) to acquire 100% of the shares on issue in AIN.

Subject to the resolutions being approved by Shareholders, the Proposed Transactions will be immediately preceded by a Share Consolidation of the Company's share capital (made up of 1,655,395,842 Shares at the date of this Notice of Meeting) using a consolidation factor of 4138.489605:1 (subject to rounding of individual shareholdings up to a whole number of Shares).

### *Widespread and continuation of Aorere*

The directors of Widespread intend to continue the Company's current mining and resources sector investment and acquisition strategy through its wholly owned subsidiary Widespread and will continue to:

- identify long term capital growth opportunities in embryonic mining and resources operations and provide seed funding as an early stage investor in exchange for equity stakes; and
- engage in shorter-term capital growth opportunities in global mining sector companies.

It is intended that this will enable Shareholders to maintain their proportionate interests in the Company's current investment and acquisition strategy through Widespread, while at the same time retaining a shareholding in the Company and its new business and assets.

The process for doing this as part of the Proposed Transactions is detailed in the Chair's Letter.

### *Effect of the Proposed Transactions and Widespread arrangements*

The effect of the Proposed Transactions for Shareholders is that, following Completion, they will hold shares in two companies without paying any new money:

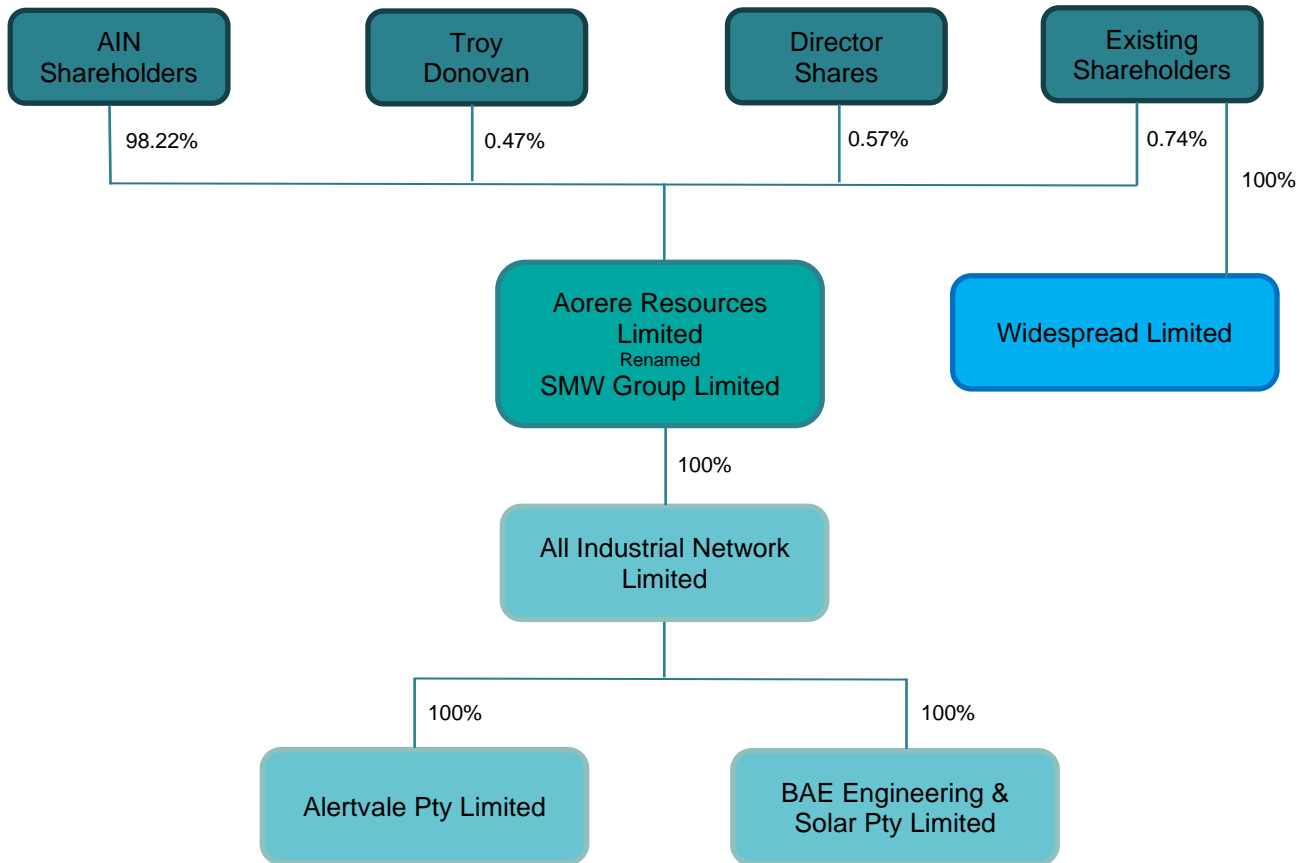
- **Company:** Shareholders will continue to hold listed Shares in the Company, although following Completion those Shares will represent a smaller percentage shareholding in the Company than they do currently. Following Completion, the Company will own 100% of the shares on issue in AIN and will operate the business in the mining support, construction and engineering services industries currently operated by the Subsidiaries.
- **Widespread:** Shareholders will receive shares in Widespread via the Widespread In-Specie Distribution, which will give Shareholders a percentage shareholding in Widespread equivalent to their percentage shareholding in the Company on the Record Date (5pm, 24 June 2020). Prior to Completion, the Company will transfer its assets to Widespread and Widespread will continue the Company's current business. The shares in Widespread will not be listed on a registered market, but Widespread intends to quote its shares on the Unlisted Securities Exchange within one month of Completion.

The following diagrams show the Company structure before and, if the Proposed Transactions are approved, after the Proposed Transactions:

#### **Before the Proposed Transactions**



### After the Proposed Transactions



The below table shows a comparison of the Company's last reported balance sheet as at 30 September 2019 (before the Proposed Transactions) to the AIN pro forma balance sheet as at 31 December 2019 (as if Completion of the Proposed Transactions had occurred):

Balance sheet comparison	Actual	Pro forma
	Aorere (pre-Transaction) 30-Sep-19 Historical	AIN (post-Transaction) 31-Dec-19 Historical
Cash and cash equivalents	5	2,265
Total current assets	32	17,313
Property, plant and equipment	-	5,763
Intangible assets (incl. goodwill)	-	7,306
Total non-current assets	203	17,125
Total assets	236	34,438
Total current liabilities	(199)	(23,735)
Total non-current liabilities	-	(4,510)
Total liabilities	(199)	(28,245)
Net assets/Shareholders equity	36	6,193
Total debt	-	(20,273)
Net tangible assets	36	(1,113)

**Notes:**

*Aorere pre-transaction balance sheet converted to AUD at 1.0781 being the AUD/NZD spot rate as at 30 September 2019 as sourced from Reserve Bank of Australia*

The below table shows a comparison of Aorere's net tangible assets per Share as at 30 September 2019 (before the Proposed Transactions) to the AIN net tangible assets per Share as at 31 December 2019 (as if Completion of the Proposed Transactions had occurred):

Net tangible assets	Actual	Pro forma
	Aorere (pre-Transaction) 30-Sep-19 Historical	AIN (post-Transaction) 31-Dec-19 Historical
Net tangible assets (\$'000)	36	(1,113)
Number of shares on issue (thousands)	1,655,396	52,854
Net tangible assets per share (\$)	0.000	(0.021)

For more information in relation to the AIN pro forma financial statements, refer to section 3 of the Profile.

## DESCRIPTION OF THE PROPOSED TRANSACTIONS

The Resolutions put forward in this Notice of Meeting involve seeking Shareholder approval for the following:

### Resolution 1

- **Asset Transfers and Widespread In-Specie Distribution:** the Company will transfer its assets and novate its liabilities to Widespread and will undertake the Widespread In-Specie Distribution.
- **Purchase:** acquiring 100% of the shares on issue in AIN.
- **Consideration Share Issues:** in consideration for the Purchase, issuing 53,160,387 new Shares in the Company at an issue price of NZD\$1 per Share.
- **Management Share Issues:** in consideration for Troy Donovan's acceptance of the appointment as Chief Financial Officer, issuing 256,000 new Shares to Troy Donovan at an issue price of NZD\$1 per Share.

### Resolution 2

- **Director Share Issues:** in consideration for their new or continued appointment as Directors, issuing in total 306,000 new Shares to or in respect of certain new and continuing Directors (being Chris Leon, Chris Castle and Jill Hatchwell) at an issue price of NZD\$1 per Share.

### Resolution 3

- **Remuneration and Incentives:** authorise the Board to set new remuneration levels and offer equity incentives in respect of Directors that are commensurate with the Company's scale and operations following Completion.

### Resolution 4

- **Constitution:** amending the Company's constitution in order to incorporate the ASX Listing Rules.

The Proposed Transactions have the effect of changing the essential nature of the Company's business to focus on the mining support, construction and engineering services industries, as is described more fully in the Profile.

Each of the key elements to the Resolutions are discussed in further detail below.

## ASSET TRANSFER AND WIDESPREAD IN-SPECIE DISTRIBUTION

Prior to Completion, the Company will:

- transfer its assets and novate its liabilities to Widespread (and, as part of those transfers and novations, Widespread will have issued to the Company 1,641,770,502 shares so that Widespread has the same number of Shares as the Company); and
- conduct the Widespread In-Specie Distribution, so that the Company's Shareholders will own all the shares in Widespread in the same proportion they own Shares in the Company currently. The Record Date for the Widespread In-Specie Distribution is at least two Business Days before Completion. This means that entitlement to the Widespread In-Specie Distribution (and therefore ownership of the shares in Widespread) will crystallise before Completion. As a result, only the Company's Shareholders at the Record Date will receive Widespread shares.

Within one month of Completion, the directors of Widespread intend to obtain quotation of Widespread's shares on the Unlisted Securities Exchange. Based on discussions to date with the Unlisted Securities Exchange, quotation is not expected to be subject to any conditions.

As Widespread will not be NZX listed, the NZX Listing Rules will not apply to Widespread its shareholders will not have the additional protections that they confer. Widespread will instead only be regulated by its constitution and the Companies Act 1993. In particular, Widespread will not be subject to requirements to have independent directors, seek shareholder approval for related party transactions, seek shareholder approval for equity issues or to comply with continuous disclosure requirements.

## PURCHASE

The Company has entered into the Purchase Agreement to acquire 100% of the shares on issue in AIN from AIN's shareholders at completion of the Purchase Agreement (being the Kern Persons, SMW Persons and BAE Persons).

On or prior to completion of the Purchase Agreement, AIN intends to enter into new lending. AIN has engaged KPMG Australia's Debt Advisory Services to assist with arranging finance on AIN's behalf. The lending will be up to AUD\$22 million in aggregate and will comprise three components, being equipment finance, debtor finance and vendor finance (with the exact proportions to be determined prior to completion of the Purchase Agreement). AIN is considering a number of financiers and has not confirmed its final selection as at the date of this Notice of Meeting. Due to the nature of the funding (including that advances are likely to be secured against AIN's equipment or debtors), AIN will not know the amount of funding available from equipment and debtor financiers until closer to completion of the Purchase Agreement. If equipment and debtor finance is sufficient to cover the lending requirements, AIN will not need vendor finance.

Any equipment or debtor financier will be arms' length financiers who lend on a regular basis. The finance will be provided on normal commercial terms, taking into account the nature of the lending and AIN's sector. The final composition of the debt finance will be determined at Completion and advised to market in accordance with continuous disclosure requirements. Full details will be set out in the annual report for the Company for 30 June 2020 which is expected to be released to market in late August 2020.

In respect of vendor finance, the SMW Persons and the BAE Persons (defined below) may loan to AIN up to AUD\$1.5 million for up to a three year term at the same interest rate as AIN will pay to its arms' length financiers. If SMW Persons or BAE Persons provide vendor finance, they will receive less cash on settlement of the acquisitions of the Subsidiaries (described in the paragraph below).

On or prior to the Completion of the Purchase Agreement, AIN will acquire 100% of shares on issue in BAE Engineering & Solar Pty Limited (ACN 147 970 134) and Alertvale Pty Limited (ACN 113 321 850) (the **Subsidiaries**), so that the Company will be acquiring the assets and businesses described in the Profile.

The following is a summary of the material commercial terms of the Purchase Agreement.

### *Consideration Shares*

The Consideration for the Purchase is the issue of the Consideration Shares to the persons or entities described below, being 53,160,387 Shares at an issue price of NZD\$1 per Share.

The Consideration Shares will be issued to the following persons or entities:

- John William Trenaman as trustee of The Captain Jacks Trust (an AIN shareholder and a vendor of shares in Alertvale Pty Limited) – 12,864,160 Shares;
- Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust (an AIN shareholder and a vendor of shares in Alertvale Pty Limited) – 12,864,160 Shares; and
- Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust (an AIN shareholder and a vendor of shares in Alertvale Pty Limited) – 12,864,160 Shares,  
(together the **SMW Persons**)
- Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust (an AIN shareholder) – 7,275,192 Shares; and
- Russell James Daly as trustee for the RCLG Investment Trust (an AIN shareholder) - 382,905 Shares,  
(together the **Kern Persons**)
- R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust (a vendor of shares in BAE Engineering & Solar Pty Limited and an AIN shareholder at Completion) – 3,454,905 Shares; and
- McBryde Investments Pty Limited as trustee for the McBryde Investments Trust (the vendor of shares in BAE Engineering & Solar Pty Limited) – 3,454,905 Shares,  
(together the **BAE Persons**)

The SMW Persons, BAE Persons and Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust have all agreed escrow all Consideration Shares that they will receive and to enter into a restricted security deed on the following terms:

- The restricted security deed will place restrictions on 100% of the Consideration Shares from Completion until the Company's audited financial statements for the year ended 30 June 2020 have been completed and published (**Restricted Period**);
- During the Restricted Period, the SMW Persons, BAE Persons and Kern Group (Licensing) Pty Limited will be prohibited from:
  - Selling, transferring, assigning or otherwise disposing of, or offer or agree to sell, transfer, assign or otherwise dispose of their right and title to, and beneficial interest in the Consideration Shares otherwise than by way of granting a security interest in favour of any bona fide lender to those persons; or
  - Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Consideration Shares during the Restricted Period otherwise than pursuant to the enforcement of any loan and/or security interest granted to a bona fide lender to those persons.

#### *Cash Consideration*

In consideration for the Company entering into and performing the transactions contemplated by the Purchase Agreement, the AIN shareholders (at completion of the Purchase Agreement) will pay to the Company NZD\$600,000. The payment will be made in the following instalments:

- (a) NZD\$150,000 at Completion;
- (b) NZD\$150,000 on or before the date that is six months after the date Completion occurs;
- (c) NZD\$150,000 on or before the date that is 12 months after the date Completion occurs; and
- (d) NZD\$150,000 on or before the date that is 18 months after the date Completion occurs.

The payments are payable by the AIN shareholders (at completion of the Purchase Agreement) to the Company, but the payments will be made as follows:

- (a) the first instalment of NZD\$150,000 (described in paragraph (a) above) will be paid by the AIN shareholders (at completion of the Purchase Agreement) to the Company, but the Company will have issued a promissory note to Widespread for that amount (less withholding taxes and the Company's expected withholding tax liability on the Widespread In-Specie Distribution) in consideration for Widespread issuing shares to the Company before Completion; and
- (b) the remaining three instalments of NZD\$150,000 (described in paragraphs (b) to (d) above) will be paid:
  - (i) by the Company on behalf of the AIN shareholders (at completion of the Purchase Agreement);
  - (ii) to Widespread, as the Company will have assigned to Widespread the Company's right to receive those payments to satisfy payment under a second promissory note issued by the Company to Widespread for NZD\$450,000 in consideration for Widespread issuing shares to the Company before Completion.

In effect, Widespread will receive these amounts in consideration for the issue of Widespread shares to the Company before Completion.

#### *Conditions*

As at the date of this Notice of Meeting, the outstanding conditions required for completion under the Purchase Agreement are:

- Each of the Company, the SMW Persons, the Kern Persons and the BAE Persons obtaining all regulatory approvals, consents or waivers in order to undertake the transactions contemplated by the Purchase Agreement;
- Shareholder approval (to be sought at the Meeting);
- The Company, the SMW Persons, the Kern Persons and the BAE Persons obtaining any contractually required change of control consents for AIN and the Subsidiaries;
- AIN acquiring each of the Subsidiaries; and
- AIN's entry into new finance facilities and all associated documents on terms and conditions reasonably acceptable to the parties to the Purchase Agreement.

#### *Completion*

The intended completion date is 26 June 2020. The final date by which the conditions must be satisfied (unless the Company and AIN's shareholders agree otherwise) is 30 June 2020. If the conditions are not satisfied by that date, then either the Company or AIN's shareholders can choose to terminate the Purchase Agreement.

On Completion, in addition to the sale of shares in AIN to the Company:

- The Company will retain Widespread's bond with NZX and, immediately after Completion, the Company will transfer Widespread \$20,000 in respect of the term deposit secured by the NZX bond;
- Chris Leon, Jack Trenaman, Oliver Sabu and Greg Kern will be appointed to the Board and Simon Henderson, Peter Liddle and Linda Sanders will resign from the Board; and
- The Company will change its name to "SMW Group Limited" and its NZX ticker code to "SMW".

#### *Warranties and indemnities*

AIN's shareholders (at completion of the Purchase Agreement) have provided the following warranties in the Purchase Agreement in favour of the Company:

- Clear title to the shares in AIN will pass to the Company (such warranty given by the SMW Persons, the Kern Persons and the BAE Persons).
- All material information for assessing AIN has been disclosed to the Company (such warranty given by the SMW Persons and the Kern Persons).



- Other warranties that are customary or common for transactions of this nature.

Widespread has given AIN's shareholders (at completion of the Purchase Agreement) an indemnity in respect of the Company's taxation compliance up until completion of the Purchase Agreement (including in respect of the Asset Transfers and the Widespread In-Specie Distribution, but not in relation to the cash consideration described on page 15). The SMW Persons and the Kern Persons have given the Company an indemnity in respect of AIN's taxation compliance up until completion of the Purchase Agreement.

#### *Transaction Costs*

The Company has negotiated with AIN's shareholders at completion of the Purchase Agreement for AIN to fund the Company's out of pocket third party costs associated with the Proposed Transactions. These costs include the costs of due diligence, professional adviser fees, NZX fees and fees in connection with the convening of the Shareholders' meeting. The Company's out of pocket third party costs associated with the Proposed Transactions are estimated to be approximately NZD\$320,000.

If the Proposed Transactions do not proceed because Shareholders vote against the necessary resolutions to approve the Proposed Transactions, then the Company will be liable to pay the costs funded by AIN within three months of the cancellation. If any amount is unpaid by that time, AIN has the right to require that such amount is satisfied by the issue of an equivalent number of new Shares. The issue price per Share will be 15% below the 30-day volume weighted average market price of a Share on the date AIN gives notice requiring the Share issue.

#### *Exclusivity Payment*

The Company had negotiated with AIN for AIN to pay the Company an exclusivity payment of NZD\$25,000 in consideration for the Company dealing exclusively with AIN until 31 March 2020 (**Exclusivity Payment**).

If the Purchase Agreement is cancelled because Shareholders vote against the necessary resolutions to approve the Proposed Transactions or the Company defaults in any material respect in the performance of any obligations under the Purchase Agreement, then the Company will refund to AIN the Exclusivity Payment to AIN within three months of such cancellation taking effect.

If the Purchase Agreement is cancelled for any reason other than the reasons described above, the Company will retain the Exclusivity Payment.

#### *Voluntary Acquisition Rights*

As part of Completion, the Kern Persons, SMW Persons, BAE Persons and Troy Donovan will be acting jointly or in concert and will become the holders or controllers of 90% or more of the Company's Shares (together the **Dominant Owner**), and will be required to comply with the obligations of a dominant owner under Part 7 of the Takeovers Code.

To comply with those obligations, the Dominant Owner proposes to send an acquisition notice under Part 7 of the Takeovers Code to all other Shareholders immediately following Completion, notifying them that they have the right to sell their Shares to the Dominant Owner at a price of NZD\$1.00 per Share (**Voluntary Acquisition Rights**). Shareholders may exercise their Voluntary Acquisition Rights within 15 working days after the date on which the acquisition notice is sent.

For this purpose, the Dominant Owner has entered into an agreement confirming that:

- the Kern Persons, SMW Persons, BAE Persons and Troy Donovan are acting together as an unincorporated body to fulfil the legal requirements of becoming the Dominant Owner of the Company
- any one of the Kern Persons or SMW Persons are authorised to take all acts required to fulfil the obligations of being the Dominant Owner;
- where the Dominant Owner acquires Shares from Shareholders exercising Voluntary Acquisition Rights, the Dominant Owner will nominate the following persons to be registered as the holder of the Shares in the following proportions:
  - Kern Group (Licensing) Pty Limited will acquire 25 percent of any such Shares; and

- each of the SMW Persons will acquire 25 percent of any such Shares.

Simmons Corporate Finance Limited has reviewed the proposed consideration of NZD\$1.00 per Share to be offered under the Voluntary Acquisition Rights and certified it to be fair and reasonable.

Shareholders have the right to object to the cash consideration of NZD\$1.00 per Share by notifying the Dominant Owner within 10 working days of the date on which the acquisition notice is sent. If the Dominant Owner receives written objections from outstanding Shareholders who hold the lesser of 2% or more of Shares in the Company or 10% or more of the outstanding Shares in the Company then the Dominant Owner will immediately refer the consideration amount to an expert determination. The expert must determine the consideration within 20 working days of their appointment and it must be a cash sum equal to the fair and reasonable value of the Shares.

## **MANAGEMENT SHARES**

Resolution 1 of this Notice of Meeting is intended, among other things, to approve the issue of the Management Shares, being 256,000 fully paid ordinary Shares to be issued to Troy Donovan at an issue price of NZD\$1 per Share.

This Share issue is in consideration for Troy Donovan accepting the appointment as Chief Financial Officer

## **DIRECTOR SHARES**

Resolution 2 of this Notice of Meeting is intended to approve the issue of Director Shares described below to the following new and continuing Directors at an issue price of NZD\$1 per Share.

The Director Shares are to be issued to the following persons or entities:

- Chris Leon – 256,000 fully paid ordinary Shares
- Chris Castle – 25,000 fully paid ordinary Shares
- Jill Hatchwell – 25,000 fully paid ordinary Shares

These Share issues are in consideration for new and continuing Directors' new or continued appointments.

## **DIRECTORS' REMUNERATION**

Resolution 3 of this Notice of Meeting is intended to approve an increase in the maximum aggregate amount of Directors' remuneration the Company can pay in each financial year from NZD\$84,000 to AUD\$500,000.

The current directors' remuneration reflects the duties carried out by Directors based on the Company's business activities prior to the Proposed Transactions.

As the Proposed Transactions will substantially change the nature of the Company's business and the Company's commercial operations will increase significantly, the Directors' duties and governance responsibilities will inherently change. It is appropriate to review the Directors' fees to ensure the Directors receive remuneration that is commensurate with the increased scope of their duties, and the additional time they are required to commit to perform their responsibilities and attend to the Company's affairs.

The Company seeks approval for the proposed remuneration as it considers it an appropriate level of remuneration for the following reasons:

- the increased amount of the directors' fee pool reflects the market remuneration as set by other NZX and ASX listed companies that also operate in the mining support, construction and engineering services industries, and has been adjusted according to the size of AIN in comparison to those companies;
- to retain Directors of an appropriate level of expertise and experience, the Company needs to remunerate its directors based on the scale of the Company's operations and the industry it operates in; and
- to attract new directors, the Company must be paying a market level of directors' fees.

The proposed remuneration will take effect from Completion.

To provide flexibility in the manner in which Directors' fees may be paid, Resolution 3 also seeks approval to pay directors' fees, in full or in part, by the Company issuing the Directors equity securities rather than cash. The Board considers that adding this flexibility for the payment of directors' fees may be advantageous to the Company if it is in a position where it wishes to preserve cash and Directors agree at the time to take equity.

## **AMENDMENT OF CONSTITUTION**

Resolution 4 in this Notice of Meeting seeks to approve the amendment of the Company's constitution.

### *Background*

On 5 August 2019, the Company adopted its current constitution which incorporates the most recent form of NZX Listing Rules by reference.

When market conditions are right, the Company intends to apply to the ASX for admission to the official list of ASX. If the application is accepted, the Company will become a dual listed company on both the NZX and the ASX and be required to comply with ASX Listing Rules.

The Board will continue to assess market conditions by regularly consulting with relevant market advisers to determine when it may be appropriate to undertake an equity raise on the ASX. Until that time, it is unlikely the Board would decide to incur the additional costs of a dual listing. Market conditions at present, including the uncertainty associated with the COVID-19 pandemic, make monitoring market conditions a priority for now over fixing a timetable.

To give the Company the ability to comply with the ASX Listing Rules when market conditions are right, the Company has completed a review of its current constitution to ensure the provisions meet the requirements of and are consistent with the ASX Listing Rules. After undertaking that review, the Board recommends that the Company amend its existing constitution to incorporate the ASX Listing Rules by reference.

### *Principal change*

The principal change proposed by the new constitution compared to the provisions of Company's current constitution is that clause 3.3 of the new constitution incorporates the ASX Listing Rules by reference (should the Company dual list in the future). This means that if the Company applies for admission to the official list of the ASX, the Company will not need to further amend its constitution and, once listed:

- the Company will be subject to the ASX Listing Rules;
- the rights and obligations set out in the constitution are subject to any prohibitions or requirements in the ASX Listing Rules; and
- if there is any inconsistency between the ASX Listing Rules and the constitution, the constitution will be deemed amended to be consistent with the ASX Listing Rules.

The advantage of this is that if the ASX Listing Rules are amended in the future, those amendments are incorporated into the constitution without a constitutional amendment being required.

### *Other information*

The Company's current constitution already provides (and the Company's new constitution will continue to provide) that if a provision in the Company's constitution is inconsistent with the NZX Listing Rules then the NZX Listing Rules will prevail.

The form of the Constitution is available online on the Company's website [www.aorereresources.co.nz](http://www.aorereresources.co.nz).

A copy can also be obtained on request from the Company by emailing Link Market Services on [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz).

The NZX Listing Rules can be viewed at <https://www.nzx.com/regulation/nzx-rules-guidance/main-board-debt-market-rules>.

The Company's solicitors, Duncan Cotterill, have provided an opinion to NZX that they consider the proposed Constitution complies with the NZX Listing Rules, as required under NZX Listing Rule 2.19.1.

## EFFECT OF RESOLUTIONS

### Effect of Resolutions passing

If the Resolutions are all passed:

- Prior to Completion, the Company will undertake the Asset Transfers to Widespread, the Widespread In-Specie Distribution and the Share Consolidation.
- The Company's current investment and acquisition strategy will continue under Widespread, which Shareholders will continue to own in the same proportions that they currently own the Company. Widespread is not an NZX listed company and is not subject to the NZX Listing Rules and the investor protections they afford (for example, continuous disclosure, related party transactions restrictions and corporate governance requirements). Widespread will be an unlisted widely-held company and Shareholders will not be able to publicly trade their shares in Widespread for so long as Widespread remains an unlisted company. However, Widespread intends to quote its shares on the Unlisted Securities Exchange within one month of Completion. A listing on the Unlisted Securities Exchange will provide Shareholders with liquidity opportunities, but without the additional protection provided by Part 5 of the Financial Markets Conduct Act 2013 (in relation to insider trading, market manipulation, continuous disclosure, substantial holding disclosure, relevant interests disclosures and the Financial Market Authority's monitoring of market obligations).
- On Completion:
  - The Company will complete the Proposed Transactions. The essential nature of the Company's business will change from an investment business to businesses in the mining support, construction and engineering services industries. the Company's current Shareholders will continue to have an interest in the Company and its new business plans.
  - The Company will issue the Management Shares and the Director Shares.
  - The Company will change its name to "SMW Group Limited" (NZX: SMW).
  - The Board will appoint Chris Leon, Jack Trenaman, Oliver Sabu and Greg Kern as Directors. Simon Henderson, Peter Liddle and Linda Sanders will resign as Directors.
  - The Company will change its balance date from 31 March to 30 June.
  - The Company will become tax resident in Australia. The Company's tax residency in Australia may impact on Shareholders' return on their Shares (for example, in relation to withholding tax on any dividends paid by the Company and an inability to operate imputation credit accounts). Shareholders should obtain independent professional tax advice relevant to their particular circumstances to assess this impact. The Company will have dual tax residency from Completion given it will remain incorporated in New Zealand. The Company considers that the NZ-Australia Double Tax Agreement should apply to alleviate any double taxation.
  - The maximum aggregate remuneration payable to Directors in any financial year will increase to AUD\$500,000.
- The Constitution will be amended.

This Notice of Meeting should be read in conjunction with:

- the Profile, which discloses particulars of the Company's assets and business plans if the Resolutions are passed, including financial information and risk factors that the Company's Shareholders should consider as part of their voting decision; and
- the Independent Report, which assesses the fairness of the transactions contemplated by the Resolutions.

## Effect of Resolutions not passing

The effect of the Resolutions not passing, is as follows:

- AIN's shareholders will not invest in the Company and the Company will remain an investment business.
- The Company will be liable to repay to AIN the amounts paid by AIN to the Company on account of the Company's costs in connection with the transactions within three months. The quantum of the costs are estimated to be approximately NZD\$320,000. If the Company has not repaid that amount within three months, AIN can require that the Company repays the amount by issuing to AIN new Shares, at an issue price per Share that is 15% below the 30-day volume weighted average price on the date AIN gives notice requiring the Share issue.
- The Constitution will not be amended.
- The maximum aggregate remuneration payable to Directors in any financial year will remain at NZD\$84,000.
- The Company will not go ahead with the Asset Transfers to Widespread, the Widespread In-Specie Distribution and the Share Consolidation and Widespread will continue to be the Company's wholly owned subsidiary.
- The Company will continue to consider capital raising initiatives and/or opportunities to sell assets. If the Company is unable to raise capital or sell its assets, the Company may become unable to repay its debts as they fall due and the Company's Directors will need to consider whether to place the Company in liquidation.
- The Company will be unlikely to seek to conduct a transaction of the type contained in this Notice of Meeting again, on the basis Shareholders were not in favour of such a transaction.

The Independent Report also sets out the implications if the Resolutions are not passed at Section 2.17 on page 25 of that report.

### *Dilution Effect*

Resolution 1 and 2 involve the issue of Shares.

Assuming that the Resolutions are all passed, all Shares that are authorised for issue under the Resolutions are issued (and paid up) then the dilutionary effect on a Shareholder is as follows:<sup>2</sup>

<b>Shares on issue following the Share Consolidation:</b>	400,000
<b>Issue of Consideration Shares:</b>	53,160,387
<b>Issue of Management Shares</b>	256,000
<b>Issue of Director Shares</b>	306,000
<b>Total Shares on issue after Resolutions passed:</b>	54,122,387
<b>Example Shareholder percentage holding pre allotments:</b>	10.0%
<b>Example Shareholder percentage holding post allotments:</b>	0.074%

The Proposed Transactions will result in a Shareholder's shareholding in the Company being diluted materially. The number of Shares each Shareholder has in the Company following the Share Consolidation will remain unchanged by the Proposed Transactions, but the percentage of the Company that such a Shareholder holds will be substantially reduced.

<sup>2</sup> This table assumes no allowance is made for the rounding of holdings at allotment.

However, under the Widespread In-Specie Distribution, the Company's Shareholders will receive a shareholding in Widespread that mirrors the Shareholder's current proportionate shareholding in the Company.

## REQUIREMENTS FOR RESOLUTIONS

Shareholder approval for Resolution 1 (*Approval of Transactions*) is required under NZX Listing Rules 4.2.1(a), 5.1.1(a) and 5.1.1(b), Rule 7(d) of the Takeovers Code and section 129 of the Companies Act.

Shareholder approval for Resolution 2 (*Director Shares*) is required under NZX Listing Rule 4.2.1(a).

Shareholder approval for Resolution 3 (*Directors' Remuneration*) is required under NZX Listing Rule 2.11.1.

Shareholder approval for Resolution 4 (*Amendment of Constitution*) is required under section 32 of the Companies Act.

A description of these NZX Listing Rules, Takeovers Code and Companies Act requirements, a description of how those requirements are triggered and any relevant disclosures against these requirements are set out below.

### Resolution 1 – Transactions

#### *NZX Listing Rule 4.2.1(a) – Issue of New Equity Securities*

NZX Listing Rule 4.2.1(a) requires Shareholders to approve the precise terms and conditions of certain issues of equity securities. NZX Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that Shareholders pass Resolution 1.

Shareholder approval for the issue of Consideration Shares and the Management Shares is required under NZX Listing Rule 4.2.1(a).

The tables below sets out the specific disclosures required by NZX Listing Rule 7.8.4 for the equity security issues being authorised in Resolution 1.

<b>Consideration Shares</b>	
<b>Number of Shares to be issued</b>	53,160,387 Shares
<b>Purpose of issue</b>	To fund the Company's acquisition of AIN under the Proposed Transactions
<b>Issue price</b>	NZD\$1.00 per Share
<b>Party to whom Shares will be issued</b>	<p>John William Trenaman as trustee of The Captain Jacks Trust - 12,864,160 Shares</p> <p>Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust - 12,864,160 Shares</p> <p>Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust - 12,864,160 Shares</p> <p>Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust – 7,275,192 Shares</p> <p>Russell James Daly as trustee for the RCLG Investment Trust - 382,905 Shares</p> <p>R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust - 3,454,905 Shares</p> <p>McBryde Investments Pty Limited as trustee for the McBryde Investments Trust - 3,454,905 Shares</p>
<b>Consideration for the issue</b>	NZD\$53,160,387

<b>Time period for the issue</b>	On Completion
<b>Ranking of Shares to be issued</b>	The Shares to be issued will rank equally in all respects with all other Shares on issue in the Company

<b>Management Shares</b>	
<b>Number of Shares to be issued</b>	256,000 Shares
<b>Purpose of issue</b>	In consideration for Troy Donovan accepting the appointment as Chief Financial Officer
<b>Issue price</b>	NZD\$1.00 per Share
<b>Party to whom Shares will be issued</b>	Troy Donovan
<b>Consideration for the issue</b>	The appointment of Troy Donovan as Chief Financial Officer
<b>Time period for the issue</b>	On Completion
<b>Ranking of Shares to be issued</b>	The Shares to be issued will rank equally in all respects with all other Shares on issue in the Company

*NZX Listing Rule 5.1.1(a) – Change in nature of business*

NZX Listing Rule 5.1.1(a) (read in conjunction with NZX Listing Rule 5.1.1.(c)) provides that, except with prior approval by an ordinary resolution, or a special resolution if approval by way of special resolution is required under section 129 of the Companies Act, the Company may not enter into any transaction or a related series of transactions to acquire, sell, lease, exchange, or otherwise dispose of the Company's assets which would change significantly the nature of the Company's business.

The Proposed Transactions constitute a 'transaction' under NZX Listing Rule 5.1.1(a) as they would significantly change the nature of the Company's business from an investment business to businesses in the mining support, construction and engineering services industries as is described more fully in the Profile. As the Proposed Transaction is a major transaction under the Companies Act, the Proposed Transaction requires approval by way of a special resolution.

*NZX Listing Rule 5.1.1(b) – Gross value above 50% of average market capitalisation*

NZX Listing Rule 5.1.1(b) (read in conjunction with NZX Listing Rule 5.1.1.(c)) provides that, except with the prior approval by an ordinary resolution, or a special resolution if approval by way of special resolution is required under section 129 of the Companies Act, the Company may not enter into any transaction or a related series of transactions to acquire, sell, lease, exchange, or otherwise dispose of the Company's assets in respect of which the gross value is in excess of 50% of the Company's average market capitalisation.

The Proposed Transactions constitute a 'transaction' under NZX Listing Rule 5.1.1(b). In particular, the Proposed Transactions involve the Company acquiring assets having a gross value that exceeds 50% of the Company's average market capitalisation in that the Company's average market capitalisation at 4 April 2020 (being the day before the date Company entered into the Purchase Agreement) was approximately NZD\$1,655,396 and the Company will acquire 100% of the shares on issue in AIN, which have a value of NZD\$53,160,387. As the Proposed Transaction is a major transaction under the Companies Act, the Proposed Transaction requires approval by way of a special resolution.

*Takeovers Code*

The Company is a Code company as it is listed on the NZX Main Board and has financial products that confer voting rights, and is subject to the Code.. The Takeovers Code restricts persons and their associates that hold (or control) no voting rights, or less than 20% of voting rights, in the Company to hold (or control) an increased percentage of voting rights above a 20% threshold unless the Company’s non-associated Shareholders approve the increased percentage of voting rights by ordinary resolution. Resolution 1 seeks such approval.

Each of the Kern Persons, SMW Persons and BAE Persons and Troy Donovan have elected to treat themselves as acting jointly and in concert with each other for the purposes of the Takeovers Code.

The table below sets out the specific disclosures required by Rule 16 of the Takeovers Code for the share allotments being authorised by Resolution 1. The date used to determine the particulars set out below is the date of Completion. The assumptions on which the particulars in the table are calculated are as follows:

- There is no change in the total number of Shares on issue from the date of this Notice until the Calculation Date (other than in accordance with the Share Consolidation);
- The number of Shares on issue following the Share Consolidation on the Calculation Date is 400,000 Shares; and
- There is no change in the total number of Shares on issue between the Calculation Date and the end of the allotment of Shares under the Resolutions.

	<b>Rule 16, Takeovers Code</b>	<b>Compliance Information</b>
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotments.	<p><i>Allottees</i></p> <ul style="list-style-type: none"> <li>• John William Trenaman as trustee of The Captain Jacks Trust</li> <li>• Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust</li> <li>• Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust</li> <li>• Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust</li> <li>• Russell James Daly as trustee for the RCLG Investment Trust</li> <li>• R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust</li> <li>• McBryde Investments Pty Limited as trustee for the McBryde Investments Trust</li> <li>• Troy Donovan</li> </ul>
(b)	particulars of the voting securities to be allotted, including: (i) the number being allotted; and	<ul style="list-style-type: none"> <li>• John William Trenaman as trustee of The Captain Jacks Trust - 12,864,160 Shares</li> <li>• Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust - 12,864,160 Shares</li> <li>• Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust - 12,864,160 Shares</li> </ul>



		<ul style="list-style-type: none"> <li>• Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust – 7,275,192 Shares</li> <li>• Russell James Daly as trustee for the RCLG Investment Trust – 382,905 Shares</li> <li>• R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust - 3,454,905 Shares</li> <li>• McBryde Investments Pty Limited as trustee for the McBryde Investments Trust - 3,454,905 Shares</li> <li>• Troy Donovan – 256,000 Shares</li> </ul>
	<p>(ii) the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents; and</p>	<ul style="list-style-type: none"> <li>• John William Trenaman as trustee of The Captain Jacks Trust – 23.77%</li> <li>• Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust – 23.77%</li> <li>• Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust – 23.77%</li> <li>• Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust – 13.44%</li> <li>• Russell James Daly as trustee for the RCLG Investment Trust – 0.71%</li> <li>• R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust – 6.38%</li> <li>• McBryde Investments Pty Limited as trustee for the McBryde Investments Trust - 6.38%</li> <li>• Troy Donovan – 0.47%</li> </ul>
	<p>(iii) the percentage of all voting securities that will be held or controlled by the allottee after completion of the allotments; and</p>	<ul style="list-style-type: none"> <li>• John William Trenaman as trustee of The Captain Jacks Trust – 23.77%</li> <li>• Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust – 23.77%</li> <li>• Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust – 23.77%</li> <li>• Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust – 13.44%</li> <li>• Russell James Daly as trustee for the RCLG Investment Trust – 0.71%</li> <li>• R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust – 6.38%</li> <li>• McBryde Investments Pty Limited as trustee for the McBryde Investments Trust - 6.38%</li> </ul>

		<ul style="list-style-type: none"> <li>• Troy Donovan – 0.47%</li> </ul>
	(iv) the aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotments.	<ul style="list-style-type: none"> <li>• John William Trenaman as trustee of The Captain Jacks Trust – 98.7%</li> <li>• Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust – 98.7%</li> <li>• Arcup (Qld) Pty Limited as trustee of The Stevens Family Trust – 98.7%</li> <li>• Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust – 98.7%</li> <li>• Russell James Daly as trustee for the RCLG Investment Trust – 98.7%</li> <li>• R.O.J. Investments Pty Limited as trustee for the Pulikkottil Family Trust – 98.7%</li> <li>• McBryde Investments Pty Limited as trustee for the McBryde Investments Trust - 98.7%</li> <li>• Troy Donovan - 98.7%</li> </ul>
(c)	Not applicable	
(d)	the issue price for the voting securities to be allotted and when it is payable.	NZD\$1.00 per Share, payable (or applied) at Completion.
(e)	the reasons for the allotments	To fund the Purchase under the Proposed Transactions and in consideration for the appointment of the Chief Financial Officer as set out on pages 18 of the Explanatory Notes to this Notice of Meeting.
(f)	a statement to the effect that the allotments, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotments of the Shares, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by each allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e)) relating to the allotments, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	<p>As explained on page 17 of this Notice of Meeting, the allottees set out in this table have entered into an agreement as Dominant Owner under the Takeovers Code in order for the Dominant Owner to notify Shareholders of their Voluntary Acquisition Rights and to acquire voting securities from Shareholders exercising their Voluntary Acquisition Rights. The agreement confirms that:</p> <ul style="list-style-type: none"> <li>• the persons set out in this table are acting together as an unincorporated body to fulfil the legal requirements of becoming the Dominant Owner of the Company;</li> <li>• any one of the Kern Group (Licensing) Pty Limited, Russell James Daly as trustee for the RCLG Investment Trust, John William Trenaman as trustee of The Captain Jacks Trust, Gaelforce Project Services Pty Limited as trustee of The Humphreys Family Trust and Arcup (Qld) Pty Limited as trustee of</li> </ul>

		<p>The Stevens Family Trust are authorised to take all acts required to fulfil the obligations of being the Dominant Owner;</p> <ul style="list-style-type: none"> <li>• where the Dominant Owner acquires Shares from Shareholders exercising Voluntary Acquisition Rights, the Dominant Owner will nominate the following persons to be registered as the holder of the Shares in the following proportions: <ul style="list-style-type: none"> <li>○ Kern Group (Licensing) Pty Limited will acquire 25 percent of any such Shares; and</li> <li>○ each of the SMW Persons will acquire 25 percent of any such Shares.</li> </ul> </li> </ul> <p>The SMW Persons, BAE Persons and Kern Group (Licensing) Pty Limited as trustee for The Singapore Investment Trust have all agreed to enter into a restricted security deed, placing a restriction on any disposal of Consideration Shares they will receive, that restriction being over 100% of the Consideration Shares from Completion until the Company's audited financial statements for the year ended 30 June 2020 have been completed and published. The terms of the restricted security deed are set out on page 15 of this Notice of Meeting.</p> <p>Other than the above, there is no other agreement or arrangement (whether or not legally enforceable) that has been, or intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.</p> <p>Completion of the Purchase Agreement, and therefore the proposed allotments set out in this Notice of Meeting, are conditional on the matters set out on page 16 of this Notice of Meeting.</p>
(h)	The report from an independent advisor that complies with rule 18	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the code company referred to in rule 19.	The Company's Directors recommend approval of Resolution 1 for the reasons set out in the section entitled " <i>Director Recommendation</i> " at the end of this Notice of Meeting.

### Companies Act

Shareholder approval is required under section 129 of the Companies Act 1993 as the Proposed Transactions constitute a 'major transaction'. A major transaction is a transaction or related series of transactions that involves acquiring assets, disposing of assets or incurring obligations that together or individually have a gross value which is more than half the market value of a company's assets before the relevant transaction(s).

The Proposed Transactions constitute a ‘major transaction’ through the following actions:

- The Company disposing of its assets by transferring them to Widespread and undertaking the Widespread In-Specie Distribution;
- The Company acquiring 100% of the shares in AIN, with a value of NZD\$53,160,387; and
- The Company entering into obligations to issue 53,416,387 Shares in respect of the Consideration Shares and the Management Shares at an issue price of NZ\$1 per Share.

Resolution 1 seeks Shareholder approval by special resolution for the Proposed Transactions.

## Resolution 2 – Director Shares

### *NZX Listing Rule 4.2.1(a) – Issue of New Equity Securities*

NZX Listing Rule 4.2.1(a) requires Shareholders to approve the precise terms and conditions of certain issues of equity securities. NZX Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that Shareholders pass Resolution 2.

Shareholder approval for the issue of Director Shares is required under NZX Listing Rule 4.2.1(a).

The table below sets out the specific disclosures required by NZX Listing Rule 7.8.4 for the equity security issues being authorised in Resolution 2.

<b>Director Shares</b>	
<b>Number of Shares to be issued</b>	306,000 Shares
<b>Purpose of issue</b>	In consideration for new and continuing Directors’ new or continued appointments
<b>Issue price</b>	NZD\$1.00 per Share
<b>Party to whom Shares will be issued</b>	Chris Leon – 256,000 Shares Chris Castle – 25,000 Shares Jill Hatchwell – 25,000 Shares
<b>Consideration for the issue</b>	The new and continuing Director’s appointment or continued appointment to the Board.
<b>Time period for the issue</b>	After Completion, including after the allotment of the Consideration Shares and Management Shares.
<b>Ranking of Shares to be issued</b>	The Shares to be issued will rank equally in all respects with all other Shares on issue in the Company.

## Resolution 3 – Director Remuneration

### *NZX Listing Rules 2.11.1 and 2.11.2(b)*

Resolution 3 seeks Shareholder approval to increase the aggregate maximum amount of fees that can be paid to Directors from NZD\$84,000 to AUD\$500,000 in each financial year and to satisfy any directors’ remuneration, in whole or in part, by way of an issue of equity securities.

NZX Listing Rule 2.11.1 provides that no remuneration shall be paid to directors if it has not been approved by ordinary resolution and NZX Listing Rule 2.11.2 allows any remuneration to be satisfied in equity securities if the resolution for the purposes of NZX Listing Rule 2.11.1 (approving the directors’ remuneration) provides for this. In addition, NZX Listing Rule 2.11.2 also requires any equity securities issued to directors in these circumstances to comply with NZX Listing Rule 4.7, which only allows the Company to issue equity securities to directors if:

- the equity securities are of a class already on issue;
- the issue of equity securities is made after the end of the period or half period to which that remuneration is payable; and

- the issue price of the equity securities is not less than the 'Average Market Price' before the issue occurs.

The directors' remuneration is expressed as a monetary sum per annum payable to Directors taken together. If the total number of Directors increases, the Directors may, without the authorisation of an ordinary resolution, increase the total remuneration by such amount as is necessary to enable the Company to pay the additional director remuneration. Resolution 3 also provides that any remuneration a Director is entitled to receive from the director fee pool can be satisfied, in whole and in part, through an issue of Shares that complies with NZX Listing Rule 4.7.

The new director fee pool will apply following from Completion if approved by Shareholders.

#### **Resolution 4 – Amendment of Constitution**

##### *Companies Act*

The Company proposes to amend its Constitution. In accordance with section 32(2) of the Companies Act, the amendment of the Constitution must be approved by special resolution of Shareholders.

##### *NZX Listing Rules*

The Company's solicitors, Duncan Cotterill, have provided an opinion to NZX that they consider the amendments to the Constitution comply with the NZX Listing Rules, as required under NZX Listing Rule 2.19.1.

## **Directors Recommendation – Rule 19 of the Takeovers Code**

The Directors recommend that Shareholders vote in favour of Resolution 1 for the purposes of the Takeovers Code.

The grounds supporting this recommendation are:

1. The Proposed Transactions allow the Company to acquire a new business and reinvent the Company in a new industry.
2. Shareholders will retain their Shares and have an interest in a business in providing mining support, construction and engineering services.
3. The Company's Shareholders will maintain their proportionate interests in the Company's current investment and acquisition strategy through Widespread.
4. Shareholders are put to no cost to receive the outcomes above.
5. Simmons Corporate Finance Limited, as independent adviser, has in section 3.2 on page 28 of the Independent Report opined that after having regard to all relevant factors, the terms of the Proposed Transactions are fair and reasonable to existing Shareholders.

## GLOSSARY

The following terms have the following meanings where used in this Notice of Meeting unless the context otherwise requires:

“**AIN**” means All Industrial Network Limited (ACN 633 811 579).

“**Associate**” has the meaning in the Takeovers Code.

“**Associated Person**” has the meaning in the NZX Listing Rules.

“**ASX**” means ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.

“**ASX Listing Rules**” means the Listing Rules of the ASX and any other rules of the ASX which are applicable at any time the Company is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express waiver by the ASX.

“**BAE Persons**” means R.O.J. Investments Pty Limited (ACN 149 011 030) as trustee of the Pulikkottil Family Trust and McBryde Investments Pty Limited (ACN 154 986 679) as trustee of the McBryde Investments Trust.

“**Board**” means the Company’s board of Directors.

“**Business Day**” has the meaning given in the NZX Listing Rules.

“**Calculation Date**” means 6:01pm on 25 June 2020 (being after the Share Consolidation has taken place on that date).

“**Companies Act**” means the Companies Act 1993.

“**Company**” means “Aorere Resources Limited, a company registered in New Zealand with New Zealand company number, which will change its name to SMW Group Limited on Completion.

“**Completion**” means completion of the Proposed Transactions.

“**Consideration Shares**” means Shares to be issued as consideration for the Acquisition, as further described on page 14 of the Explanatory Notes.

“**Directors**” means the Company’s directors.

“**Director Shares**” means Shares to be issued to Chris Leon, Jill Hatchwell and Chris Castle for their appointment or continuing appointment on the Board, as further described on page 18 of the Explanatory Notes.

“**Explanatory Notes**” means the explanatory notes that form part of this Notice of Meeting.

“**Independent Report**” means the independent adviser’s and independent appraisal report prepared by Simmons Corporate Finance Limited, a copy of which accompanies this Notice of Meeting.

“**Kern Persons**” means Kern Group (Licensing) Pty Limited (ACN 119 512 711) as trustee for The Singapore Investment Trust and Russell James Daly as trustee for the RCLG Investment Trust.

“**Management Shares**” means Shares to be issued to Troy Donovan in connection with his appointment as Chief Financial Officer, as further described on page 18 of the Explanatory Notes.

“**Meeting**” means the special meeting of Shareholders to be held on 25 June 2020 through the virtual meeting platform using the following link [www.virtualmeeting.co.nz/aor20](http://www.virtualmeeting.co.nz/aor20), starting at 10:30 am.

“**Minority Buy-out Rights**” means a Shareholder’s right to require the Company to purchase that Shareholder’s Shares in accordance with section 110 of the Companies Act, as discussed in Appendix One.

“**Notice of Meeting**” or “**Notice**” means this notice of special meeting, including the Explanatory Notes.

“**NZX**” means NZX Limited.

“**NZX Listing Rules**” means the NZX Listing Rules dated 1 January 2020 and “**Listing Rule**” means a rule contained in the NZX Listing Rules.

“**Profile**” means the listing profile prepared by the Company in relation to the Proposed Transactions and the associated business plan to be pursued by the Company following the Proposed Transactions, a copy of which accompanies this Notice of Meeting.

“**Proposed Transactions**” means the Asset Transfers, the Widespread In-Specie Distribution, the Acquisition, the issue of the Consideration Shares and the issue of the Management Shares.

“**Proxy Form**” means a proxy form in relation to this Notice of Meeting, a personalised copy of which accompanies this Notice of Meeting.

“**Purchase**” means the Company’s acquisition of 100% of the shares in issue in AIN under and in accordance with the Purchase Agreement.

“**Purchase Agreement**” means an Agreement for Sale and Purchase of Shares dated 5 April 2020 between the Company, the Kern Persons, the SMW Persons, the BAE Persons and Widespread under which the Company has agreed to purchase 100% of the shares on issue in AIN.

“**Record Date**” means 5pm on 24 June 2020.

“**Resolutions**” means the resolutions set out in the Notice of Meeting.

“**Share Consolidation**” means a consolidation of the Company’s share capital, as further described on page 10 of the Explanatory Notes.

“**Shareholder**” means a shareholder of the Company.

“**Shares**” means ordinary shares in the Company.

“**SMW Persons**” means John William Trenaman as trustee of The Captain Jacks Trust, Gaelforce Project Services Pty Limited (ACN 142 342 578) as trustee of The Humphreys Family Trust and Arcup (Qld) Pty Limited (ACN 163 936 374) as trustee of The Stevens Family Trust.

“**Subsidiaries**” means BAE Engineering and Solar Pty Limited (ACN 147 970 134) and Alertvale Pty Ltd (ACN 113 321 850).

“**Takeovers Code**” means the Takeovers Regulations 2000 (SR 2000/210).

“**Widespread**” means Widespread Limited (New Zealand company number 263418).

“**Widespread In-Specie Distribution**” means the in-specie distribution by the Company to its Shareholders of all the shares in Widespread.

“**Voluntary Acquisition Rights**” means a Shareholder’s right to require the Dominant Owner to purchase that Shareholder’s Shares in accordance with the Takeovers Code, as discussed on page 17 of this Notice of Meeting.



## Appendix One: Minority Buy-out Rights Procedure

If the Company's Shareholders pass the special resolution set out in Resolution 1, a Shareholder that has cast all the votes attached to the Shares registered in their name (and having the same beneficial owner) against that special resolution is entitled to require the Company to purchase those Shares in accordance with section 110 of the Companies Act.

To exercise that right, that Shareholder must give notice requiring the Company to repurchase those Shares within 10 working days of the passing of the special resolution. The Company's Board must, within 20 working days of receiving such notice:

- (a) agree to purchase the Shares; or
- (b) arrange for some other person to agree to purchase the Shares; or
- (c) apply to the Court for an order exempting it from purchasing the Shares under section 114 or section 115 of the Companies Act; or
- (d) arrange, before the resolution becomes effective, for the resolution to be rescinded by special resolution in accordance with section 106 of the Companies Act or decide in the appropriate manner not to take the action concerned (as the case may be); and
- (e) give written notice of the Board's decision to the relevant Shareholder.

Where the Board agrees for the Company to purchase the Shares, it must within five working days of giving notice under (e) above, give written notice of the price to the Shareholder that it offers for those Shares. The price must be a fair and reasonable price (as at the close of business on the day before the date that the resolution was passed) and calculated as follows:

- (a) first, the fair and reasonable value of the total Shares in each class to which the Shares belong must be calculated (the **Class Value**);
- (b) secondly, each Class Value must be adjusted to exclude any fluctuation (whether positive or negative) in the Class Value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution;
- (c) thirdly, a portion of each adjusted Class Value must be allocated to the Shareholder in proportion to the number of Shares they hold in the relevant class.

However, a different methodology from that set out above may be used to calculate the fair and reasonable price for the Shares if using the methodology set out above would be clearly unfair to the Shareholder or the Company. The written notice to the Shareholder must state how (a) to (c) above was calculated or why using this methodology was clearly unfair to the Company or the Shareholder.

A Shareholder may object to the price offered for the Shares by giving notice of their objection to the Company within 10 working days of receiving notice of the price offered. If the Shareholder does not object or accepts the offer, the Company must purchase the Shares at the nominated price no later than 10 working days after the date that the offer is accepted or the date that is 10 working days after the date that notice of the price offered was given to the Shareholder. These time periods may be adjusted by agreement between the Company and the Shareholder.

If the Company receives an objection to the price, the following issues must be submitted to arbitration:

- (a) the fair and reasonable price for the Shares, on the basis set out in section 112(2) and (3) of the Companies Act; and
- (b) the remedies available to the Shareholder or the Company in respect of any price for the Shares that differs from that determined by the Board of the Company under section 112 of the Companies Act.

The Company must, within five working days of receiving the objection, pay to the Shareholder a provisional price in respect of each Share equal to the price offered by the Board. If the price determined for the Shares by the arbitrator:

- (a) exceeds the provisional price paid, the arbitrator must order the Company to pay the balance owing to the Shareholder; or
- (b) is less than the provisional price paid, the arbitrator must order the Shareholder to pay the excess to the Company.

Except in exceptional circumstances, the arbitrator must award interest on any balance owing or excess to be paid. If a balance is owing to the Shareholder, the arbitrator may award to the Shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment. Any sum that must be paid in accordance with the arbitrator's decision must be paid no later than 10 days after the date of the arbitrator's determination, unless the arbitrator specifically orders otherwise.

Where the Company agrees to arrange a third party to purchase the Shares, the provisions set out above apply (subject to such modifications as may be necessary) to that purchase of the Shares. Every Shareholder whose Shares are purchased through a third party pursuant to such an arrangement is indemnified by the Company in respect of loss suffered by reason of the failure by the third party who has agreed to purchase the Shares to purchase them at the price nominated or fixed by arbitration, as the case may be.