

PRECISION

OPPORTUNITIES
FUND

PRECISION OPPORTUNITIES FUND LTD

ACN 613 479 262

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am (WST)
DATE: Wednesday, 1 June 2022
PLACE: Emerald House
1202 Hay Street, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am WST on Wednesday, 1 June 2022 at Emerald House, 1202 Hay Street, West Perth WA 6005

If you would like to attend via video conferencing, please contact us with your attendance and we will email you the link to the meeting in due course.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. Alternatively, you can lodge your vote online by following the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF GENERAL MEETING

Notice is given that a meeting of Shareholders will be held at 10.00 am (WST) on Wednesday, 1 June 2022 at Emerald House, 1202 Hay Street, West Perth WA 6005.

If you would like to attend via video conferencing please contact us with your attendance and we will email you the link to the meeting in due course.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ADOPTION OF REDEMPTION POLICY VIA VARIATION TO TERMS AND CONDITIONS OF REDEEMABLE PREFERENCE SHARES

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

“RESOLVED to authorise the directors of the Company to amend the terms and conditions of the Redeemable Preference Shares as reflected in the marked-up copy of Annexure A – Terms and Conditions of Redeemable Preference Shares which is attached to this Notice of Meeting.”

Dated: 10 May 2022

By order of the Board



Jessica Ridley
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting of the Company for Wednesday, 1 June 2022 commencing at 10.00am (WST).

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

BUSINESS OF THE MEETING

RESOLUTION 1 – ADOPTION OF REDEMPTION POLICY VIA VARIATION TO TERMS AND CONDITIONS OF REDEEMABLE PREFERENCE SHARES

The Company is proposing to vary the terms of the Redeemable Preference Shares on issue to allow for bi-annual redemption of Redeemable Preference Shares. The proposed redemption policy is summarised below:

- Redemptions will be offered to all shareholders, for up to 10% of shares on issue every six months, for a maximum of 10% of shares on issue to be redeemed annually.
- The redemption offer will be priced at a 5% discount to the last NTA.
- Any decision to make a redemption offer will be at the discretion of the board.

A copy of the terms of the Redeemable Preference Shares extracted from the Information Memorandum, marked-up with the proposed changes is attached and marked 'Annexure A'.

In accordance with the Company's Constitution, any variation to the rights attached to a class of shares on issue requires consent in writing of the holders of 75% of the shares of that class.

Recommendation: The Board has formed the view that the proposed changes are for the benefit of Shareholders and recommend that Shareholders vote in favour of Resolution 1.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Precision Opportunities Fund Ltd (ACN 613 479 262).

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

Directors means the current directors of the Company.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

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

Share means redeemable preference share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

TERMS AND CONDITIONS OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document:

ASX means ASX Limited or the Australian Securities Exchange (as the context requires).

Business Day means Monday to Friday inclusive except any day that is not a business day in Perth, Western Australia.

Change in Control Event means both of the following occurring:

- (a) the Company receiving an offer to acquire all of the Shares; and
- (b) the Board recommending to Shareholders that they accept that offer.

Closing Date has the meaning given to that term in the Information Memorandum.

Company means Precision Opportunities Fund Ltd (ACN 613 479 262).

Constitution means the constitution of the Company, as amended from time to time.

Conversion means the conversion of the Preference Shares into Ordinary Shares in accordance with the terms of this document and "Convert" shall have a corresponding meaning.

Conversion Date has the meaning set out in clause 6(f).

Conversion Multiple means 1.

Corporations Act means the Corporations Act 2001 (Cth) as amended, consolidated or replaced.

Holder means the registered holder of a Preference Share.

Information Memorandum means the Company's Information Memorandum dated on or around 27 November 2020.

Issue Date means the date on which a Preference Share is issued.

Issue Price means the issue price of a Preference Share, being the amount set out in the Information Memorandum.

NTAPS means the net asset value of the Company as at the relevant Redemption Date divided by the number of Preference Shares on issue.

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

Preference Share means a non-cumulative, redeemable convertible preference share in the capital of the Company issued on the terms set out in this document.

Redemption Amount means, in respect of each Preference Share, an amount equal to a 5% discount to the NTAPS for the end of month directly prior to the Redemption Decision.

Redemption Date means the date set out in the Redemption Offer.

Redemption Election- Decision has the meaning given to that term in clause ~~5(a)(iii)~~ 7(a).

Redemption Offer has the meaning given to that term in clause 7 ~~(eb)~~.

Securities means shares, debentures, debenture notes and any options to subscribe for the same.

Share means an Ordinary Share and/or a Preference Share, as the context requires.

Special Consent means:

- (a) a resolution passed by not less than three quarters of the Holders holding not less than three quarters of the Preference Shares for the time being in issue, passed at a general meeting of the Holders; or
- (b) a consent in writing signed by not less than three quarters of the Holders holding not less than three quarters of the Preference Shares for the time being on issue.

1.2 Interpretation

- (a) A reference to a clause is a reference to a clause in this document.
- (b) Unless the context otherwise requires, words defined in the Constitution have the same meaning in this document.

2. RIGHTS, POWERS AND PRIVILEGES

- (a) The Preference Shares are issued on and subject to the terms and conditions of the Constitution.
- (b) The Constitution applies to each Holder and to the Preference Shares except to the extent that the terms of this document conflict with the terms of the Constitution.
- (c) Where the terms of this document conflict with the terms of the Constitution, the terms of this document prevail as between the Company and each Holder.

3. DIVIDENDS

- (a) The right in priority to any declaration or payment of dividend to any other class of shares to a non-cumulative preferential dividend payable in relation to that Share but only to the extent to which the Shares are paid up.
- (b) While there are Preference Shares on issue, no other class of Shares will entitle the holder to receive any payment of dividend out of the profits of the Company.

4. VOTING RIGHTS, NOTICE OF MEETING

- (a) Without prejudice to any other right, power or privilege conferred on a Holder, each Preference Share confers on its Holder the same rights as a holder of Ordinary Shares to:
 - (i) receive notice of any general meeting of the Company and reports and audited accounts; and
 - (ii) attend at any general meeting of the Company.
- (b) A Holder is entitled to vote and speak at any meeting of the Company in the following circumstances and in no others:
 - (i) on a proposal to reduce the share capital of the Company;
 - (ii) on a resolution to approve the terms of the buy-back agreement;
 - (iii) on a proposal that affects the rights attached to the Preference Shares;
 - (iv) on a proposal to wind up the Company;
 - (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; or
 - (vi) during the winding up of the Company.

- (c) A Holder entitled to vote under clause 4(b) is entitled to exercise one (1) vote on a show of hands and one (1) vote on a poll for each Preference Share held.

5. DECISION

- (a) On the ~~10th August~~ 7 October every year, the Company must, at the Board's discretion, elect whether to:
- (i) apply for Admission (as per clause 6(f)(i) of this schedule); or
 - (ii) ~~make an offer to all Holders to redeem all or part of their Preference Shares (subject to any requirements of the Corporations Act) (Redemption Election); or~~
 - ~~(iii);~~ (iii) not apply for Admission ~~or make a Redemption Election~~, in which case the Preference Shares shall continue on the same terms.
- (b) Upon making an election under clause 5, the Company must notify each Holder in writing of such election.

6. CONVERSION OF A PREFERENCE SHARE

- (a) On the Conversion Date, all Preference Shares automatically convert into that number of Ordinary Shares equal to that number of Preference Shares multiplied by the Conversion Multiple.
- (b) For the avoidance of doubt, conversion of the Preference Shares prior to the Conversion Date is not permitted.
- (c) From the date of its issue under this clause 6, each Ordinary Share forms part of the class of Ordinary Shares in the capital of the Company and ranks pari passu with the Ordinary Shares then on issue including dividends declared on Ordinary Shares in respect of the financial year in which Conversion occurs.
- (d) As soon as practicable after the Conversion of a Holder's Preference Shares:
- (i) the Holder must, if required by the Company, surrender to the Company the certificates representing the Preference Shares which have been converted (or other evidence of title for those Preference Shares); and
 - (ii) the Company shall dispatch certificates in respect of the Ordinary Shares resulting from the Conversion.
- (e) This clause does not limit the Company's ability to deal with Preference Shares in accordance with the Corporations Act and does not affect the terms on which Preference Shares may be cancelled under a reduction of capital, share buyback or other form of capital reconstruction implemented in accordance with the Corporations Act.
- (f) The Conversion Date means:
- (i) the date that the Company receives conditional approval to be admitted to quotation on ASX (or another recognised stock exchange) (**Admission**);
 - (ii) the date upon which a Change in Control Event occurs; or
 - (iii) such other date as determined by the board of the Company in its sole discretion.

7. REDEMPTION OF A PREFERENCE SHARE\$

- (a) Subject to the Corporations Act, including, without limitation, Sections 254K and 254J, and subject to this clause 7, on 1 May and 1 November every year, the Company may, at the Board's discretion, make an election to offer to redeem up to 10% of all Preference Shares at the Redemption Amount (**Redemption Decision**).

~~(a)~~(b) If the Company makes a Redemption ~~Election Decision~~, then the Company must make an offer to each Holder for each Holder to redeem all or part of their Preference Shares in accordance with this clause 7 (Redemption Offer).

~~(b)~~(c) The Redemption Offer must:

- (i) be in writing;
- (ii) set out the terms of the Redemption Offer and the requirements to accept the Redemption Offer; and
- (iii) be dispatched to all Holders within 10 Business Days of the Redemption ~~Election Decision~~.

~~(c)~~(d) Each Holder shall be entitled to accept or reject the Redemption Offer, within 20 Business Days of receipt of the Redemption Offer in writing and otherwise in accordance with the requirements of the Redemption Offer.

~~(d)~~(e) Subject to the Corporations Act and this clause 7, the Company must redeem a Preference Share for which a valid acceptance has been received on the Redemption Date.

~~(f)~~ On redemption of a Preference Share, the Company, within five-ten (510) Business Days after the ~~holder has surrendered to the Company the certificate in respect of that Preference Share redemption being accepted~~, must pay to the Holder the Redemption Amount in cash, by cheque via electronic transfer or in any other form that the Holder and the Company agrees to in writing.

~~(a)~~ In any twelve (12) month period, the Company must not redeem more Preference Shares than the number of Preference Shares which has a value which is greater than 10% of the Company's net asset value (Redemption Limit).

~~(a)~~(b) In the event that the Company receives acceptances of a Redemption Offer with a value greater than the Redemption Limit, the Company shall redeem each accepting Holder's Preference Shares on pro-rata basis, based on the percentage of each accepting Holder's holdings relative to the total number Preference Shares the subject of acceptances by accepting Holders in the relevant Redemption Offer, but subject always to the restrictions set out in clause 7(a).

8. PARTICIPATION IN NEW ISSUES

There are no rights or entitlements inherent in the Preference Shares and Holders will not be entitled to participate in issue of new Securities offer to holders of Ordinary Shares or any bonus issues of Securities.

9. ADJUSTMENT FOR CAPITAL RECONSTRUCTION

If at any time there is a reorganisation of the capital of the Company, the number of Preference Shares, the Issue Price and the Conversion Multiple will be reorganised such that the Holders are not disadvantaged or otherwise do not receive a benefit that holders of the Ordinary Shares do not receive. Such reorganisation shall not be an amendment to which clause 14 applies and shall not be otherwise treated as a variation of class rights.

10. RETURN OF CAPITAL IN A WINDING UP

- (a) Each Preference Share confers on its Holder the right to a payment in cash equal to the Issue Price and any unpaid dividend/s in a winding up in priority to any other class of shares in the Company.
- (b) Subject to clause 10(a), the Holders are entitled to participate in the surplus assets or profits of the Company in a winding up on the same terms as the holders of Ordinary Shares.

11. OTHER PREFERENCE SHARE ISSUES

- (a) The Company must not without Special Consent issue any other preference shares (including, without limitation, preference shares which are participating or non-participating, redeemable or non-redeemable and whether carrying a dividend the same as or different from the Preference Shares) ranking in priority to the Preference Shares.
- (b) The Company may, subject to the Corporations Act, issue further Preference Shares ranking pari passu with the Preference Shares.
- (c) The Holders constitute one class of shareholders for the purpose of the Constitution.

12. LISTING OF A PREFERENCE SHARES

The Company will not apply for official quotation of the Preference Shares on ASX.

13. TRANSFER OF A PREFERENCE SHARES

The Preference Shares are not transferable (other than with the consent of the Company and provided that the Constitution and the Corporations Act are complied with).

14. AMENDMENT OF THIS DOCUMENT

These terms may only be amended:

- (a) by Special Consent; and
- (b) if the Constitution and the Corporations Act are complied with.