

MUSTERA PROPERTY GROUP LTD
ABN 13 142 375 522

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

Date of Meeting

Thursday, 28 November 2019

Time of Meeting

10:00 a.m. (WST)

Place of Meeting

15 McCabe Street
North Fremantle WA 6159

For personal use only

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Mustera Property Group Limited (**Company** or **Mustera**) is to be held at:

Venue: 15 McCabe Street
North Fremantle WA 6159

Date: Thursday, 28 November 2019

Time: 10:00 a.m. (WST)

This Notice should be read in conjunction with the accompanying Explanatory Statement.

Agenda

Financial Report – Year Ended 30 June 2019 (no resolution required)

To receive and consider the financial report and the report of the Directors and the Auditor for the financial year ended 30 June 2019.

Resolution 1 – Adoption of Remuneration Report

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

“That the Remuneration Report of the Company (as contained in the Directors’ Report) for the year ended 30 June 2019 be adopted.”

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or
- a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on the Resolution; or
- the voter is the chair of the meeting (“Chair”) and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the Resolution; and
 - expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director – Mr Jack Spencer-Cotton

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

“That Mr Jack Spencer-Cotton, who retires by rotation in accordance with clause 13.2 of the Company’s Constitution, and who offers himself for re-election, is re-elected as a Director.”

Resolution 3 – Approval of 10% Placement Facility

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (or any associate of such person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Amendment to Company’s Constitution – Restricted Securities

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

“That for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution to incorporate additional provisions relating to restricted securities as further detailed in the Explanatory Statement.”

Explanatory Statement

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

Proxies

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg “the Company Secretary”).
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member’s voting rights. If no such proportion is specified, each proxy may exercise half of the member’s votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company’s share register at 10:00 am (WST) on Tuesday, 26 November 2019 will be entitled to attend and vote at the Annual General Meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.

BY ORDER OF THE BOARD

Kim Hogg
Company Secretary

24 October 2019

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Mustera Property Group Limited.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

Financial Statements and Report

Under the Corporations Act, the Directors must table the financial report, the Directors' Report and the auditor's report for Mustera for the financial year ended 30 June 2019 at the meeting.

These reports are set out in the Company's 2019 Annual Report. Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the Directors' Report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

General

The Directors' Report for the period ended 30 June 2019 contains a Remuneration Report which sets out the policy for the remuneration of Directors and executives of the Company. In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2019 Annual Report.

Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 at the Annual General Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the Annual General Meeting, the Company's remuneration report for the financial year ending 30 June 2020 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2020 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are also against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting ("Spill Meeting") be called to consider the election of Directors of the Company ("Spill Resolution"). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

At the Company's 2018 annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for the 2019 Annual General Meeting.

Voting intention

The Chairman of the meeting intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

Resolution 2 – Re-election of Director – Mr Jack Spencer-Cotton

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors must retire from office,

provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Spencer-Cotton retires by rotation and seeks re-election.

Mr Spencer-Cotton has been involved in the field of engineering for over 20 years. Engineering and technology are both a passion and career, which have given him a range of roles. He is experienced in engineering design, project planning, and team management in large scale projects. He is presently a capital projects engineer at Pfizer Perth.

Board recommendation

The Board (other than Mr Spencer-Cotton) recommends Shareholders vote in favour of the Resolution.

Voting intention

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 2.

Resolution 3 – Approval of 10% Placement Facility

General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totaling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As at the date of this Notice, the Company is an eligible entity, as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$32 million.

The Company is now seeking shareholder approval to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) below).

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

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a **special resolution** at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has one quoted class of Equity Securities, being its ordinary fully paid shares. There are presently 99,625,115 Shares on issue.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

EXPLANATORY STATEMENT

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

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

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

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature

or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

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

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.163 50% decrease in Market Price	\$0.325 Current Market Price	\$0.487 50% increase in Market Price
Current Variable A 99,625,115	10% Voting Dilution	9,962,511 Shares	9,962,511 Shares	9,962,511 Shares
	Funds raised	\$1,623,889	\$3,237,816	\$4,851,743
50% increase in current Variable A 149,437,673	10% Voting Dilution	14,943,767 Shares	14,943,767 Shares	14,943,767 Shares
	Funds raised	\$2,435,834	\$4,856,724	\$7,277,615
100% increase in current Variable A 199,250,230	10% Voting Dilution	19,925,023 Shares	19,925,023 Shares	19,925,023 Shares
	Funds raised	\$3,247,779	\$6,475,632	\$9,703,486

EXPLANATORY STATEMENT

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 6. The current market price used is \$0.325, based on the closing price as at 2 October 2019.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards the development of the Company's Forbes Residences development proposal in Applecross, WA and/or for the acquisition of new properties that are considered to be suitable for the Company's portfolio.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, an entitlements issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

The Company notes that:

- (i) any funds raised from the issue of Equity Securities under the 10% Placement Facility are likely to be applied to the development of its existing projects or the acquisition of new assets;
- (ii) prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best

interest to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time.

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its 2017 annual general meeting held on 15 November 2017 (**Previous Approval**). The Company did not issue any Equity Securities pursuant to the Previous Approval.

For the purposes of Listing Rule 7.3A.6(a), the Company notes that, as at the date of this Notice, the Company has issued Shares and Options during the 12-month period preceding the date of the Meeting.

As at the date of this Notice, the total number of Equity Securities issued by the Company in the 12 months preceding the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12-month period are as follows:

	Equity Securities
Number of Equity Securities on issue at commencement of 12-month period	99,027,111 Shares 3,000,000 Options Total = 102,027,111
Equity Securities issued during 12-month period (as at the date of this Notice)	598,004 Shares 2,500,000 Options Total = 3,098,004
Percentage that Equity Securities issued represent of total number of Equity Securities on issue at commencement of 12-month period	Shares = 0.59% Options = 2.45% Total = 3.04%

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting as at the date of this Notice are set out in Schedule 1.

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Board recommendation

The Board believes that Resolution 3 is in the best interests of the Company and recommends that Shareholders vote in favour of this Resolution.

Voting intention

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 3.

EXPLANATORY STATEMENT

Resolution 4 – Amendment to Company’s Constitution – Restricted Securities

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

Resolution 4 will enable the Company to amend its existing Constitution to incorporate additional provisions relating to restricted securities. The additional provisions are required to comply with recent amendments to the ASX Listing Rules which take effect on 1 December 2019.

The amendments include the introduction of a two-tier escrow regime where:

- (a) certain more significant holders of restricted securities are required to execute a formal escrow agreement; and
- (b) for less significant holdings, a company can rely on a provision in its constitution imposing appropriate escrow restrictions on the holder of restricted securities.

To facilitate the Company's compliance with the proposed changes to the ASX Listing Rules for its proposed admission to the official list of the ASX, clause 2.11 of the Constitution incorporates amendments to include a statement that relevant holders of restricted securities will be taken to have agreed in writing that the restricted securities will have a holding lock applied for the duration of the escrow period applicable to those securities.

The additional provisions will replace and supersede clause 2.11 of the Constitution. The effect of the amendment is set out below:

Existing Clause	Proposed Amendment
<p><u>CLAUSE 2.11</u></p> <p>The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:</p> <ul style="list-style-type: none">(a) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or the ASX;(b) the Company will refuse to acknowledge a disposal (including registering a transfer), assignment or transfer of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX; and(c) during a breach of the Listing Rules relating to Restricted Securities or a breach of a restriction agreement the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.	<p><u>CLAUSE 2.11</u></p> <p>The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:</p> <ul style="list-style-type: none">(a) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the Exchange;(b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;(c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or Exchange;(d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or Exchange; and(e) if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

The changes to ASX Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

A copy of the Constitution with the amendments proposed will be made available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting.

Board recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

Voting intention

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 4.

EXPLANATORY STATEMENT

Glossary

\$ means an Australian dollar.

Annual General Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the current board of directors of the Company.

Chair means the Chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; a company the member controls; or
- (e) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **Mustera** means Mustera Property Group Limited (ACN 142 375 522).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company and **Directors** means the directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security means:

- (a) a share;
- (b) a unit in a trust;
- (c) a right to a share or option or unit in a trust;
- (d) an option over an issued or unissued security;
- (e) a convertible security; or
- (f) any security that ASX decides to classify as an equity security.

Explanatory Statement means this explanatory statement accompanying the Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including any director (whether executive or otherwise) of the Company.

Meeting means the annual general meeting of the Company to be held on ## November 2019.

Listing Rules mean the official listing rules of ASX.

Notice means the notice convening the 2019 annual general meeting of the Company, including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2019.

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

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

Shareholder means a member of the Company.

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

SCHEDULE 1

Issue of Equity Securities by the Company over the last 12 months

Date	Number of Equity Securities Issued	Class of Equity Securities	Names of Allottees or basis of issue	Issue price (and discount to closing market price)	Cash Consideration	Non-Cash Consideration
15/11/2018	598,004	Shares	Issued pursuant to the Company's Dividend Reinvestment Plan to participating Shareholders	Deemed issue price of \$0.305 (5.2% premium)	N/A	Non-cash consideration: participation in Dividend Reinvestment Plan. Current value = \$194,351
21/12/2018	2,500,000	Unquoted options expiring 30 November 2023 exercisable at \$0.46	Issued to Directors following approval by shareholders at the annual general meeting held on 29 November 2018	Nil (100% discount)	N/A	Non-cash consideration: issue of Options to Directors. Current value = \$302,500 ¹

1. Based on a Black and Scholes valuation with the following inputs: estimated volatility of 60%, risk-free interest rate of 0.60%, exercise price of \$0.46 and share price of \$0.325, term of 4.14 years (as at 10 October 2019)

PROXY FORM

MR SAM SAMPLE
UNIT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of Mustera Property Group Ltd and entitled to attend and vote hereby appoint

the Chairman of the Meeting
(mark with an 'X')

OR

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

or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Mustera Property Group Ltd to be held at **15 McCabe Street, North Fremantle, WA 6159, on Thursday, 28 November 2019 commencing at 10:00 a.m. (WST)** and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies **in favour** of each of the items of business.

Chairman authorised to exercise proxies on remuneration-related matters: If I/we appoint the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes your proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Item 1 even though that Item is connected directly or indirectly with the remuneration of members of key management personnel of Mustera Property Group Ltd, which includes the Chairman. I/we acknowledge that if the Chairman of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Item 1, the Chairman of the Meeting intends to vote my/our proxy in favour of that Item.

Note: You can direct the Chairman how to vote by marking the boxes below (for example if you wish to vote against or abstain from voting).

2. Items of Business

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

	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Jack Spencer-Cotton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Amendment to Company's Constitution – Restricted Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

3. Signature of Securityholder(s)

Please sign here

THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.

Individual or Securityholder 1

Individual/ Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone

For personal use only

HOW TO COMPLETE THE PROXY FORM

1. Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

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

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

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

2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3. Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

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

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the Company's registered office or at the address given below no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post or email to Mustera Property Group Ltd:-

PO Box 3438
Nedlands WA 6909

Email: info@mustera.com.au