



Cannasouth Limited **Notice Of Annual Meeting Of Shareholders**

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This Annual Meeting will be a hybrid meeting, allowing shareholders to attend in person or online.

The physical meeting will be held at the offices of Link Market Services, Level 30, PWC Tower, 15 Customs Street West, Auckland

Shareholders can join online at www.virtualmeeting.co.nz/cbd22

Shareholders attending and participating in the meeting virtually via the online platform will be able to vote and ask questions during the meeting. If you will be participating online you will require your shareholder number, found on your proxy form, for verification purposes.

More information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the meeting) is available in the Virtual Annual Meeting Online Portal Guide, which is available at: <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>

The Explanatory Notes which accompany this Notice of Meeting set out the details of the transactions which are the subject of the resolutions and the approval required for each resolution by the shareholders of the Company pursuant to the Companies Act 1993 and the Constitution of the Company.



Order of Business

Chairman and Chief Executive Officer's Address

Ordinary Resolutions

1

Re-election of Tony Ho as a Director

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

"That Tony Ho be re-elected as a Director of the Company."

2

Appointment and Remuneration of Auditors

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

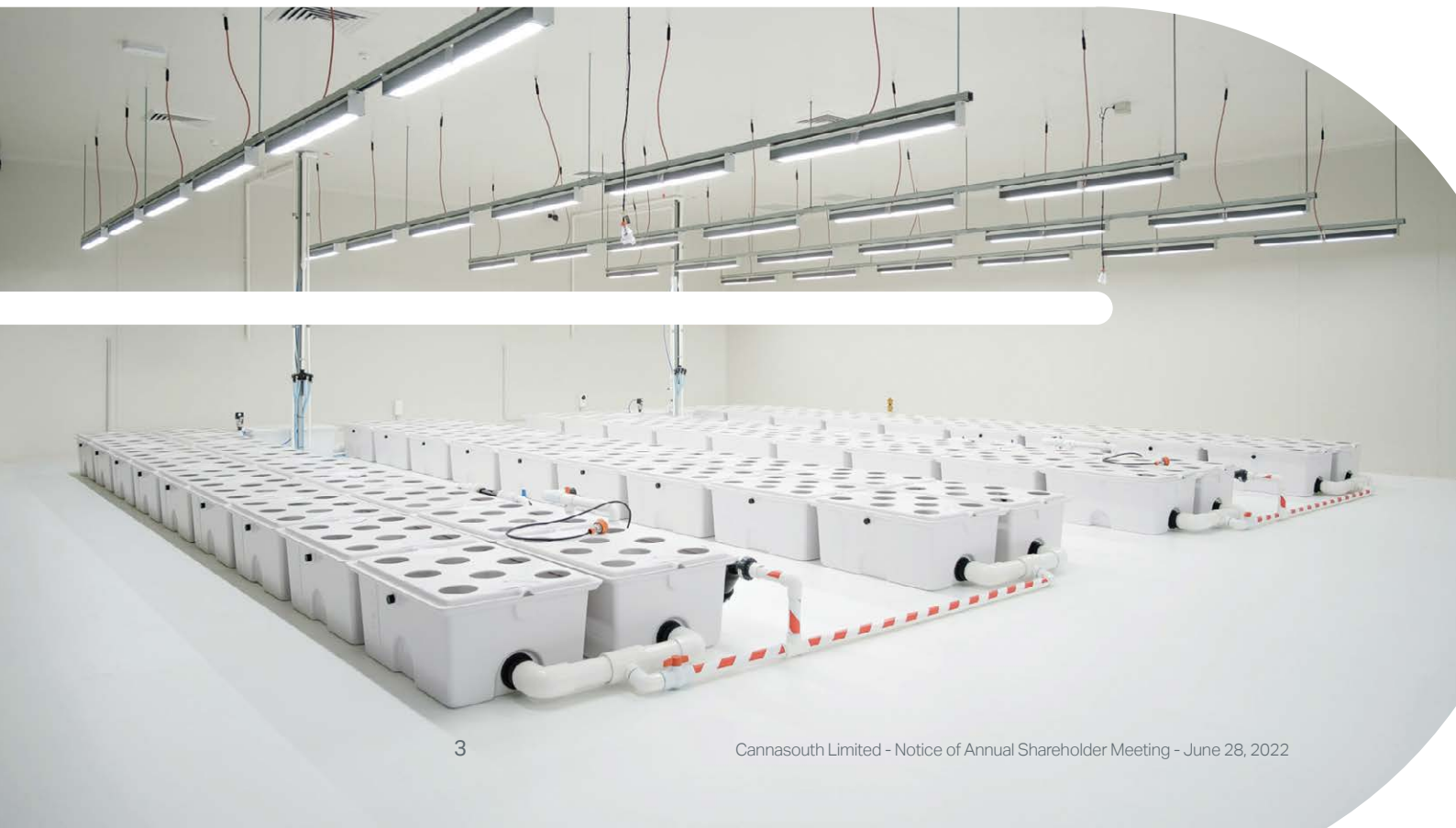
"That RSM Hayes Audit Limited be appointed as auditors of the Company, and that the Board is authorised to fix their remuneration for the forthcoming year ending 31 December 2022."

3

Ratification of Previous Share Issues

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

"That shareholders ratify the previous issues of 10,949,478 ordinary fully paid shares (in aggregate) by the Company as scheduled in the Explanatory Notes to this resolution 3.



Notes

1. Explanatory Notes

Explanatory Notes for Resolutions 1 to 3 (inclusive) are set out in the following pages.

2. Proxies

In accordance with the Constitution of the Company, any shareholder of the Company entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote at the Annual Meeting in the place of the security holder. The proxy appointed is not required to be a security holder in the Company. A proxy form is enclosed.

The Chairperson of the Meeting, Mr Tony Ho, will act as proxy for any shareholder who wishes to appoint him for that purpose. If you appoint the Chairperson and you do not indicate how the Chairperson should vote, the Chairperson will vote in favour of all of the resolutions. It is requested that any proxies granted to the Chairperson include directions from the shareholder for voting for all resolutions. Given the Chairman has an interest in Resolutions 1 and 3, Mr Ho is not entitled to vote any undirected proxies in respect of Resolutions 1 and 3.

If you do not propose to attend the Annual Meeting but wish to be represented by proxy, you can appoint a proxy online by going to:
<https://investorcentre.linkmarketservices.co.nz/voting/CBD>

Alternatively, you can complete the Proxy Form and either:



Scan and Email your proxy to
meetings@linkmarketservices.com ;



Return the Proxy Form by mail to Link Market Services,
PO Box 91976, Victoria Street West, Auckland 1142

The online proxy appointments must be lodged with, and the completed Proxy Forms received by, Link Market Services Limited not less than 48 hours before the meeting, being **11:00am on Sunday, 26 June 2022**.

All persons registered on the Company's register of shareholders as the holders of shares as at **5pm on Monday, 27 June 2022** shall, subject only to any applicable voting restrictions (if any), be entitled to vote at the Meeting in person or by proxy.

3. Voting Restrictions

A person disqualified from voting may act as a proxy for another person who is qualified to vote in respect of shares held by that person and in accordance with that person's express instructions.

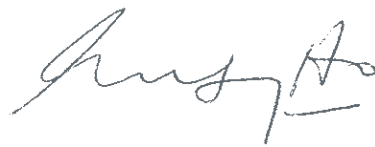
In respect of resolution 3, those persons that subscribed for any of those shares which are the subject of ratification by that resolution, and any Associated Person of those persons are restricted from voting on resolution 3.

A person restricted from voting on resolution 3 ("excluded person") may act as proxy if:

- (a) that excluded person has been appointed as a proxy by another person who is not disqualified from voting under LR 6.3.1; and
- (b) that excluded person is voting in accordance with that other person's express instructions, and cannot act as a discretionary proxy.

4. Notice Of Report Availability

Our most recent and future Annual or Half Year Reports are, or will be, available on our website <https://www.cannasouth.co.nz/investors/financial-reports-and-news-for-investors/>.



By Order of the Board of Directors

Tony Ho
Chairman



Explanatory Notes

The Company is listed on the NZX Main Board and must comply with the NZX Listing Rules ("Listing Rules"), the Takeovers Code and the Companies Act 1993 (Act). In addition, various provisions of the NZX Listing Rules are included in or incorporated by reference in the Company's Constitution (Constitution). The Act, the Constitution and the NZX Listing Rules also contain specific requirements which are relevant to the resolutions comprised in this Notice. The implications of the NZX Listing Rules, the Act and the Constitution, insofar as they relate to each resolution, are addressed in the Explanatory Notes to each resolution.

Nature of Resolutions

Resolutions 1 to 3 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of Shareholders of the Company, entitled to vote and voting.

These Explanatory Notes have been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

RESOLUTION 1:

RE-ELECTION OF TONY HO AS A DIRECTOR OF THE COMPANY – ORDINARY RESOLUTION

In terms of the Constitution of the Company, Mr Ho is retiring from his role as a Director of the Company at the Annual Meeting and has offered himself for re-election. Mr Ho is eligible to be re-elected as Director at the Annual Meeting.

A brief biography for Mr Ho is provided below:

Mr Ho is currently undertaking the role of Chairman. The Board unanimously supports Mr Ho's re-election to the Board and considers him to be an Independent Director.

Mr Ho has been a Director of Cannasouth Ltd since September 2018 and successfully guided the company through listing on the NZX Main Board in June 2019. Mr Ho holds numerous non-executive directorships with a number of ASX and NZX listed companies.

Mr Ho has a Bachelor of Commerce degree from The University of New South Wales, Sydney, is a member of Chartered Accountants Australia and New Zealand, a fellow of the Australian Institute of Company Directors, Chartered Governance Institute and Governance Institute of Australia. He has also completed post-graduate studies in Marketing at the University of Technology, Sydney.

Mr Ho was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. He was previously a director of Yates New Zealand Limited. Prior to joining commerce, Mr Ho was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young (EY).

RESOLUTION 2:

APPOINTMENT AND REMUNERATION OF AUDITOR – ORDINARY RESOLUTION

The current auditors for the Company are Deloitte. During the course of the current financial year, the Board resolved to tender the audit for the financial year ending 31 December 2022.

Following the completion of that process, the Board resolved that RSM Hayes Audit Limited (RSM) was the audit firm that the Board would like to engage going forward. Accordingly, the Directors recommend that the shareholders approve the appointment of RSM as the auditors of the Company for the current financial year. Resolution 2 also authorises the Board to fix the fees and expenses of the auditor.

The Board of directors of the Company wish to record their thanks to Deloitte during their tenure as auditor for the Company.

If resolution 2 is passed, the appointment of RSM will take effect from the close of the Annual Meeting.

RESOLUTION 3:

RATIFICATION OF PRIOR ISSUE OF 10,949,478 SHARES – ORDINARY RESOLUTION

Listing Rule 4.5.1 permits the issue of ordinary shares representing up to 15% of the total number of shares on issue in any 12-month period without the prior approval of Company's shareholders.

During the course of the period commencing 4 August 2021, the Company issued 10,949,478 new fully paid ordinary shares as follows:

- On 4 August 2021, the Company issued 2,200,000 new ordinary fully paid shares at an issue price of \$0.40 per share to Greenmeadows Health Limited in accordance with Listing Rule 4.5.1. These shares were issued to satisfy the payment of the purchase price payable by the Company to acquire the 40% shareholding held by Greenmeadows Health Limited in Midwest Pharmaceuticals NZ Limited;
- On 6 August 2021, the Company issued 6,750,000 new ordinary fully paid shares at an issue price of \$0.40 per share to a large number of wholesale investors and existing shareholders in accordance with Listing Rule 4.5.1. These shares were issued to raise additional working capital for the Company, in conjunction with a Share Purchase Plan undertaken by the Company at the same time;
- On various dates between 1 September 2021 and 3 May 2022, the Company issued 89,862 new ordinary fully paid shares at an issue price of \$0.40 per share to a number of holders of share options previously issued by the Company in August 2021. The new shares were issued following the exercise of 89,862 share options by the holders of those options;
- On 2 September 2021, the Company issued 525,000 new ordinary fully paid shares at an issue price of \$0.40 per share to three wholesale investors pursuant to a private placement undertaken in accordance with Listing Rule 4.5.1. These shares were issued to raise additional working capital for the Company;
- On 30 November 2021, the Company issued 1,384,616 new ordinary fully paid shares at an issue price of \$0.39 per share to Tokomaru Horticulture Industries Limited in accordance with Listing Rule 4.5.1. These shares were issued to satisfy the payment of the purchase price payable by the Company to acquire the 50% shareholding held by Tokomaru Horticulture Industries Limited in Cannasouth Cultivation Limited.

The above shares represented 7.98% of the total number of shares on issue in the Company after the date of their issue.

Listing Rule 4.5.1(c) allows the Company to renew its capacity to issue ordinary shares within Listing Rule 4.5.1, when it has been used, by obtaining subsequent ratification of the issue from shareholders of the Company.

The Board is seeking the ratification by shareholders of the previous issue of the Placement Shares.

The effect of this Resolution will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 4.5.1 without the requirement to obtain prior Shareholder approval.

On 6 August 2021, Mr Tony Ho, Mrs Christine Pears and Ms Juliet Hull, who are directors of the Company, participated in a share placement and having an interest in Resolution 3, will not be entitled to vote on Resolution 3.



**LEARN MORE AT
CANNASOUTH.CO.NZ**

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