



the **Hydroponics** company

www.thcl.com.au

8 February 2018

# ASIC consent to extension of date for Annual General Meeting

The Directors of The Hydroponics Company Limited (ASX Code: THC) (**THC** or **Company**) advise that the Australian Securities & Investments Commission (**ASIC**) has agreed to an extension of the date upon which the Company will convene its inaugural Annual General Meeting (**AGM**), from 15 March 2018 to 23 March 2018.

The circumstances that necessitated the above extension are:

1. in response to a Notice of Intent dated 9 January 2018 that THC received from Mr Alan Beasley, a current director of THC, to call an extraordinary general meeting of THC pursuant to s.249CA of the Corporations Act (**EGM**).

THC's counsel wrote to Mr Beasley's lawyers on 25 January 2018 (**25.1.18 Letter**) that Mr Beasley withdraw the calling of the EGM, so long as all business to be conducted at the EGM would be submitted to and voted on by Shareholders at the AGM, and that the AGM would occur in the same date or very shortly after the date upon which Mr Beasley had indicated the EGM would be convened (**THC Request**).

The THC Request was consistent with previous representations by Mr Beasley to the Board that he would act in that requested manner;

2. despite repeated requests to Mr Beasley by representatives of THC, and by THC's lawyer to Mr Beasley's lawyer, for a substantive response to the THC Request, it was only at 10.53 a.m. on 5 February 2018 that Mr Beasley's lawyer informed THC's lawyer, by



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email, that Mr Beasley had rejected THC Request and was insisting on proceeding unilaterally, and without any prior consultation of any other THC Board members, to hold the EGM to be held on 15 March 2018.

Mr Beasley's conduct has predictably caused significant and unnecessary expense and distraction to THC as well as confusion amongst THC shareholders;

3. at 5.02 p.m. on 5 February 2018, THC's lawyer was first advised that Mr Beasley was despatching a notice of the EGM (**EGM Notice**) on that day. Given the amount of time involved in the preparation, drafting and arranging for despatch to THC shareholders of the EGM Notice, it is reasonable to assume – in the absence of any explanation by Mr Beasley – that he must have known well before 10.53 a.m. on 5 February 2018 that he would reject the THC Request. Nevertheless, he intentionally delayed that rejection.

That delay, in combination with circumstances referred to in paragraph 4 below (which were known to Mr Beasley and his lawyers), were the direct cause as to why THC became unable to convene the AGM on 15 March 2018 whilst still complying with the applicable statutory notice periods and the provisions of the THC Constitution;

4. clause 111.2 of the THC Constitution provides that "*A notice sent by post to or from a place outside Australia is taken to be given 7 Business Days after posting.*" That requirement significantly extends the usual time 3 day period for the deemed mailing of the notice convening the AGM and related materials (collectively **AGM Notice**) and which period must expire before the statutory 28 day notice period during which shareholders have to consider and respond to the AGM Notice, may commence; and
5. in light of the above, and ASIC's consent to the extension of the date of the AGM to 23 March 2018, it is expected that the following timetable will be applicable to a proposed AGM of the Company, the formal notice of which will be despatched following appropriate resolution and finalisation of the notice documents by the Board in due course:

<b>13.02.2018</b>	dispatch of AGM Notice and proxy forms
<b>22.02.2018</b>	last day of deemed mailing period to all THC shareholders
<b>23.03.2018</b>	convening of AGM

I and the other Board members thank all shareholders for their understanding in these matters – much of which has been outside their control - and look forward to a satisfactory resolution in the near future.



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**About The Hydroponics Company** [www.thcl.com.au](http://www.thcl.com.au)

The Hydroponics Company (ASX: THC) is at the forefront of developing a leading, diversified worldwide cannabis business, focused on three core business units: Development and delivery of medicinal cannabis, manufacturing and distribution of hydroponics equipment, materials and nutrients, and large scale hydroponic greenhouse design and construction. With +17 years of Cannabis sativa breeding, variety selection and growth management, THC is actively developing plant breeding technology to target multiple markets for high purity cannabidiol (CBD), a new class of medicinal product that can be used to target dementia, epilepsy and other neurological disorders.

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