

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of RPM Automotive Group Limited (RPM or the Company) will be held on Wednesday, 27 November 2019, commencing at 11.00am at Walker Wayland Advantage, Level 7, 114 William Street, Melbourne, Victoria.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2019, together with the reports by directors and auditors thereon.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following resolution as a non-binding resolution:

That for the purpose of section 250R (2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2019 Annual Report for the financial year ended 30 June 2019 be adopted.

Note: The vote on this resolution is advisory only and does not bind the directors of the Company.

Voting Exclusion Statement:

Pursuant to section 250R (4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- (c) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a prohibited person.

Resolution 2: Re-election of Director (Mr S Brown)

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

That Mr Scott Brown, being a Director of the Company who retires by rotation in accordance with Clause 3.6 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

Resolution 3: Approval of additional 10% placement facility

To consider and, if thought fit, to pass with or without amendment, the following resolution 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 up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (i) any persons who are 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 ordinary shares in the Company); or

(ii) any associates of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

At the date of this Notice of Meeting, the Company has not approached any particular existing Shareholder or identifiable class of existing Shareholder to participate in the issue of ordinary Shares pursuant to Listing Rule 7.1A. No existing Shareholders votes will therefore be excluded under the voting exclusion stated above.

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00pm on 25 November 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting

BY ORDER OF THE BOARD

W J Kernaghan
Company Secretary
14 October 2019

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EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of RPM Automotive Group Limited ("the Company") in connection with the business to be conducted at the annual general meeting of Shareholders to be held at Walker Wayland Advantage, Level 7, 114 William Street, Melbourne, Victoria on Wednesday, 27 November 2019 at 11.00am.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

2. 2019 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2019 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, Walker Wayland Advantage, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

2. ADOPTION OF REMUNERATION REPORT – Resolution 1

2.1 General

Pursuant to section 250R (2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2019 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (Spill Resolution) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (Spill Meeting) within 90 days of the second annual general meeting.

At the Company's previous 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 this Annual General Meeting.

3. Re-election of a Director –Resolution 2

Resolution 2 relates to the re-election of Mr Brown as a Director.

In accordance with the requirements of clause 3.6 of the Company's Constitution and the Corporations Act, one-third of the directors of the Company retire from office at this annual general meeting of the Company. Mr Scott Brown retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Mr Brown is provided in the Annual Report.

4. Approval of additional 10% placement facility – Resolution 3

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (Additional 10% Placement Facility). The Additional 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 time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 3 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 3 will be to allow the directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 10(b) of this Notice of Annual General Meeting below).

The company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

a. Minimum Issue Price

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of the Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, namely Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for 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 Securities are to be issued is agreed; or
- ii. If the Securities are not issued within 5 trading days of the date in paragraph (i) the date on which the securities are issued.

b. Dilution

As at the date of this Notice of Annual General Meeting, the Company has 75,079,635 Shares and 8,982,699 options on issue. If Shareholders approve Resolution 3, the Company will have the capacity to issue approximately 7,507,963 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise 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 following formula:

(A x D) – E

A is the number of fully paid 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 or 7.4;

D: less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning 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 Rule 7.1 or 7.4.

If Resolution 3 is approved by Shareholders and the Company issued Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. 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 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.

The below table 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 7.1A2 as at the date of this Notice of Annual General Meeting.

The table below also shows:

- i. two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rate 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 ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.07 50% decrease in Issue Price	\$0.14 Issue Price	\$0.21 50% increase in Issue Price
Current Variable A 75,079,635 Shares	Shares issued	7,507,963 New Shares	7,507,963 New Shares	7,507,963 New Shares
	Funds raised	\$525,557	\$1,051,114	\$1,576,672
50% increase in current Variable A 112,619,452 Shares	Shares issued	11,261,945 New Shares	11,261,945 New Shares	11,261,945 New Shares
	Funds raised	\$788,336	\$1,576,672	\$2,365,008
100% increase in current Variable A 150,159,270 Shares	Shares issued	15,015,927 New Shares	15,015,927 New Shares	15,015,927 New Shares
	Funds raised	\$1,051,114	\$2,102,229	\$3,153,344

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities.
3. 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%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issued of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.14, being the closing price of the Shares on ASX on 14 October 2019.
8. The share numbers are based on a pre-consolidation basis.

c. Issue Period

If Shareholders approve Resolution 3, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- i. The date that is 12 months after the date of the Annual General Meeting; and
- ii. The date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or 11.2 (disposal of main undertaking).

(the Additional 10% Placement Period).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

d. Purpose of Issues

The Company may seek to issue the Equity Securities for the following purposes:

- i. Non-cash consideration for the acquisition of the 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 intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

e. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- ii. the effect of the issue of the Equity Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisers (if applicable).

f. Previous issues

The Company has previously obtained Shareholder approval under Listing Rule 7.1A and has not issued any Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

In accordance with listing rule 7.3A.6(a) details of the total number of equity securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of equity securities on issue at the commencement of the 12 month period are as follows:

Equity securities issued in prior 12 month period	65,660,179
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	697.07%

The specific details for each of the issues during the 12 month period are as follows:

Issue 1 during the 12 month period:

Date of Issue	23 August 2019
Number issued:	13,064,272
Type of Equity;	Fully paid ordinary shares which ranked pari passu with existing fully paid shares on issue
Summary of Terms:	IPO
Names of Persons who received securities:	Public
Price:	20 cents per share
Discount to market:	Not applicable
Total cash consideration:	\$2,612,854
Intended use of remaining cash	Expanding the business and working capital

Issue 2 during the 12 month period:

Date of Issue	23 August 2019
Number issued:	3,000,000
Type of Equity;	Fully paid ordinary shares which ranked pari passu with existing fully paid shares on issue
Summary of Terms:	To acquire the convertible notes (\$300,000) of the businesses the company is acquiring.
Names of Persons who received securities:	Investors as per the Notice of Meeting
Price:	10 cents per share
Discount to market:	50% to the IPO price
Total consideration:	\$300,000 with no cash paid
Intended use of remaining cash	Not applicable

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Issue 3 during the 12 month period:

Date of Issue	23 August 2019
Number issued:	49,518,706
Type of Equity;	Fully paid ordinary shares which ranked pari passu with existing fully paid shares on issue
Summary of Terms:	Issued at \$0.25 per share as per Notice of Meeting as approved by shareholders
Names of Persons who received securities:	Various as per detailed in the Notice of Meeting which was approved by shareholders
Price:	25 cents per share
Discount to market:	Not applicable
Total consideration:	\$12,379,600 – No cash was paid
Intended use of remaining cash	Not applicable

Issue 4 during the 12 month period:

Date of Issue	30 September 2019
Number issued:	(i) 62,500 (ii) 7
Type of Equity;	Fully paid ordinary shares which ranked pari passu with existing fully paid shares on issue
Summary of Terms:	(i) Placement at \$0.20 (ii) Exercise of options at \$0.25
Names of Persons who received securities:	(i) Shareholder (ii) Shareholder
Price:	(i) 20 cents per share (ii) 25 cents per share
Discount to market:	Not applicable
Total cash consideration:	(i) \$12,500 (ii) \$1.75
Intended use of remaining cash	working capital

g. Voting exclusion statement

A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

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PROXY FORM

I/We (full name)

of _____

being a member(s) of RPM Automotive Group Limited, hereby appoint as my/our proxy

of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 11.00am on Wednesday, 27 November 2019 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – S Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of additional 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where permitted, the Chairman intends to vote all undirected proxies in favour of all resolutions.

If the member is an individual or joint holder:

Usual Signature

Usual Signature

Dated this _____ day of _____ 2019.

If the member is a Company:

Signed in accordance with the
Constitution of the company
in the presence of:

Director/Sole Director

Director/Secretary

Sole Director and Sole Secretary

Dated this _____ day of _____ 2019.

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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by facsimile to that office on Fax: 03 9794 5920 to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

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

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

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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held 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 lodged with the Company before the meeting or at the registration desk on the day of the meeting.

6. Important for Resolution 1:

If the Chair of the Meeting or any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is your proxy and you have not directed the proxy how to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company or Closely Related Party of a member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 11.00am on 25 November 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: RPM Automotive Group Limited
6-18 Antonella Court
Dandenong South
Victoria 3175

By mail: RPM Automotive Group Limited
6-18 Antonella Court
Dandenong South
Victoria 3175

By fax: (03) 9794 5920

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