

## **Notice of Special Meeting of Shareholders**

**Notice is given that a special meeting of the shareholders of Cynotech Holdings Limited (Company) will be held at Rimu Room 2, Novotel Hotel, 72-112 Greenlane Road East, Ellerslie, Auckland on Tuesday 16 December 2008, commencing at 10.00am.**

### **Business of the Meeting**

To receive a report on the recent and current performance of the Cynotech Group and comment from the Board on the state of New Zealand's finance industry.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. The Company is authorised to convert 4,777,776 Convertible Preference shares held by interests associated with the Company's executive chairman, Allan Hawkins (*the Hawkins Interests*) into an equivalent number of fully paid ordinary shares on the terms set out in the Explanatory Notes accompanying this Notice of Meeting (*Explanatory Notes*).

*Note: Details of the Hawkins Interests and their holdings of Convertible Preference shares are set out on page 9 and the terms of conversion of the Convertible Preference shares are set out on page 3 of the Explanatory Notes forming part of this Notice.*

2. The Company is authorised to allot to the relevant Hawkins Interests their entitlement of up to 7,022,474 fully paid ordinary shares if those Hawkins Interests exercise their Warrants to subscribe for ordinary shares on any of the exercise dates for those Warrants.

*Note: Details of the Hawkins Interests and their holdings of Warrants are set out on page 9 and the terms of exercise of the Warrants are set out on pages 3 and 4 of the Explanatory Notes forming part of this Notice.*

These resolutions are required to satisfy the requirements of Rules 7(d) and 16(b) of the Takeovers Code, and the requirement of NZSX Listing Rule 7.5.

### **Persons entitled to vote**

The only persons entitled to exercise votes at the meeting will be those who are registered as shareholders at 5pm on Friday 12 December 2008, and only the shares registered in those shareholders' names at that time will carry a right to vote at the meeting. This does not limit the right of eligible shareholders to appoint a proxy (or, if they are a company, a corporate representative).

The Hawkins Interests and any associates cannot vote on the Resolutions. CBD Solutions Limited will not vote on the Resolutions. Persons disqualified from voting are also not able to vote pursuant to any discretionary proxy.

**Proxies**

You may exercise your right to vote at the meeting by:

- Being present in person; or
- Appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company.

A form for appointing a proxy is enclosed. If you wish to appoint a proxy, please comply with the instructions on the form and return it to:

Cynotech Holdings Limited  
PO Box 9846  
Newmarket  
Auckland  
Fax No: 09 9122142

Or to the Company's registered office:  
Level 4  
187 Broadway  
Newmarket  
Auckland

The Chairman of the meeting (who will be Mr Allan Hawkins) is willing to act as a proxy. However, as Mr Hawkins is an interested party, he is disqualified from voting any discretionary proxy in favour of the proposed resolutions. If you appoint the Chairman as your proxy, please ensure that you give the proxy express instructions on how to vote.

Your proxy must be received by the Company by **10.00a.m. on Sunday 14 December 2008.**

By order of the Board.

**SIGNED**



A. R. Hawkins  
Chairman

**Dated**

If you have any questions or require any further information, please contact Allan Hawkins on Ph: (09) 520 6073, Fax: (09) 912 2142, email: allan@cynotech.co.nz.

## **EXPLANATORY NOTES TO RESOLUTIONS**

Those people and entities comprising the Hawkins Interests and the number of ordinary shares, Convertible Preference shares and Warrants that each of them holds, are listed in the First Schedule on page 9 of these Explanatory Notes. That schedule also sets out the total number of ordinary shares, Convertible Preference shares and Warrants on issue and the percentage of each class of security held by the Hawkins Interests. The Hawkins Interests as a group currently hold a total of 23.10% of the ordinary shares in the Company.

The ordinary shares represent all the voting securities of the Company. No voting rights attach to the Convertible Preference shares or the Warrants.

### ***Resolution 1 – The Hawkins Interests converting 4,777,776 Convertible Preference shares to ordinary shares***

This resolution is required to satisfy the requirements of the Takeovers Code and, in particular, Rules 7(d) and 16(b) and NZSX Listing Rule 7.5 (see below).

At a special meeting of shareholders of the Company on 26 November 2007, shareholders approved the issue of up to 30 million Convertible Preference shares at an issue price of 20 cents per share. The terms of issue permit the holders of the Convertible Preference shares to convert them into ordinary shares at any time on the giving of 30 days' notice in writing to the Company. The conversion rate is 1 ordinary share for each Convertible Preference share. The final conversion date is a date 3 years from the date of issue of the shares. No voting rights attach to the Convertible Preference shares. No consideration is payable by a holder of the Convertible Preference shares on conversion of those shares into ordinary shares.

The Company has issued a total of 21,884,046 Convertible Preference shares, of which 4,777,776 shares (21.83%) are currently held by the Hawkins Interests.

The Hawkins Interests wish to have the ability to convert all of their Convertible Preference shares into 4,777,776 fully paid ordinary shares between now and the final conversion date (22 December 2010). They are unable to do so without first complying with the provisions of the Takeovers Code (see below).

### ***Resolution 2 – The Hawkins Interests exercising their Warrants***

This Resolution is required to satisfy the requirements of the Takeovers Code and, in particular, Rules 7(d) and 16(b) and NZSX Listing Rule 7.5 (see below).

At the annual general meeting of shareholders of the Company on 12 May 2005, shareholders approved the issue of up to 20 million ordinary shares at an issue price of 17.5 cents per share together with one share warrant with every 2 new shares issued (*Warrants*).

The terms of the Warrants were changed by resolution at the Company's annual general meeting on 26 April 2006 and at a Warrant holders' meeting held about the same date. The exercise price was set at 10 cents per share for exercise on 27 June 2006, 20 cents per share on 27 June 2007 and 30 cents per share on 27 June 2008.

At special meetings of shareholders and Warrant holders of the Company held on 26 November 2007, the terms of the Warrants then on issue (which were to mature on 27 June 2008 unless exercised on that date at a price of 30 cents per share) were amended. Each Warrant now gives the holder the additional right but not the obligation to subscribe for a new ordinary share in the Company at a price of 30 cents per share, to be exercised on 27 June 2009, 27 June 2010 or 27 June 2011 (*Exercise Dates*).

Currently there are 28,140,489 Warrants on issue. The Hawkins Interests hold 7,022,474 (24.96%) of those Warrants. Details of individual holdings of the Hawkins Interests are listed on page 9 of these Explanatory Notes.

The Hawkins Interests wish to have the ability to exercise their Warrants on one or more of the Exercise Dates. They are unable to do so without first complying with the provisions of the Takeovers Code (see below).

### ***General Comments on Resolutions 1 and 2***

The allotment of the shares referred to in Resolutions 1 and 2, if approved by shareholders, will be permitted under Rule 7(d) of the Takeovers Code as an exception to Rule 6 of the Takeovers Code.

Each of the persons and entities comprising the Hawkins Interests are associates of the other for the purposes of the Takeovers Code. That means each of the Hawkins Interests is treated as controlling 23.10% of the voting rights in the Company. None of the Hawkins Interests are able to convert their Convertible Preference shares into ordinary shares or exercise any of their Warrants without first complying with the provisions of the Takeovers Code. In general terms, the Takeovers Code requires shareholder approval of the proposed transactions, or some or all the Hawkins Interests making a partial or full takeover offer (which they do not wish to do).

If all of the Hawkins Interests' Convertible Preference shares were converted into ordinary shares as they intend (Resolution 1) and all of the Hawkins Interests exercised their Warrants to purchase ordinary shares at an exercise price of 30 cents (Resolution 2), the holdings of the Hawkins Interests and percentage holdings of the total shares then on issue would be as follows:

	<b>Number of Shares</b>	<b>Percentage of Total (%)</b>	<b>Cumulative Percentage of Total (%)</b>
Shares currently on issue	104,273,039		
Issue of Shares for Convertible Preference Shares (Resolution 1)	4,777,776	4.12	
Issue of Shares re Warrants (Resolution 2)	<u>7,022,474</u>	6.05	
	11,800,250		10.17
<b>Total</b>	<u>116,073,289</u>		

	Number of Shares	Percentage of Total (%)
Cynotech Securities Limited	17,135,739	14.75
Newmarket Securities Limited	15,376,024	13.25
Laurel Anne Hawkins	200,000	0.17
Glenn and Sonja Hawkins	977,565	0.84
Glenn Hawkins	1,406,972	1.21
Wayne Hawkins	145,013	0.12
Mark Hawkins	85,000	0.07
Maree Dawn Hawkins	116,372	0.10
Dominic Hawkins	69,822	0.06
Alisondra Hawkins	69,822	0.06
Zane Hawkins	69,822	0.06
Sophia Hawkins	69,822	0.06
Jared Hawkins	36,252	0.03
Cody Hawkins	36,252	0.03
Shannon Hawkins	36,252	0.03
Cathy Hutchinson	53,447	0.05
<b>Total</b>	<b>35,884,176</b>	<b>30.92</b>

In other words, the Hawkins Interests would together control 30.92% of the voting securities in the Company. If it transpires that CBD Solutions Limited, which holds 3,125,000 shares in the Company, is an Associate of Cynotech Securities Limited, which is denied, the total for Cynotech Securities Limited and its Associate would be 20,260,739 shares (being 17.46% of the voting securities), and the aggregate totals for the Hawkins Interests and their Associates would be 39,009,176 shares (being 33.61% of the voting securities).

It is noted that in both cases this is a smaller percentage control than previously authorised by shareholders at the Company's Annual General Meeting held on 12 May 2005 when shareholders approved the conversion of Convertible Notes held by Cynotech Securities Limited and Newmarket Securities Limited. The potential control percentage of Cynotech Securities Limited and Newmarket Securities Limited arising as a result of the conversion of those Convertible Notes was 34.34%. All the Convertible Notes have now been converted into ordinary shares - following that conversion the control percentage of the current Hawkins Interests (including Cynotech Securities Limited and Newmarket Securities Limited) is in fact only 23.10% (see the schedule on page 9 of these Explanatory Notes). The reason for this percentage not being higher is a result of further issues of ordinary shares to unrelated parties for a range of reasons including the exercise of Warrants, elections to take shares in lieu of dividends, and the issue of the 3,125,000 shares for the Western Bay Finance loan book acquisition.

Full details of the calculations in respect of each of the Hawkins Interests are set out in the Second, Third and Fourth Schedules on pages 10 to 12 of these Explanatory Notes.

#### *Calculations based on certain assumptions*

The calculations set out above are based on the following assumptions.

- No other person converts their Convertible Preference shares or exercises their Warrants.

- There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final conversion/exercise date, other than through the conversions of the Hawkins Interests' Convertible Preference shares or Warrants.

For example, if other holders convert their Convertible Preference shares or exercise their Warrants before the Hawkins Interests do so, the Hawkins Interests' control percentage will be less than 30.92% once the Hawkins Interests exercise all their rights of conversion and all their Warrants.

### *Ranking of Shares*

The ordinary shares to be issued to the Hawkins Interests on the conversion of the Convertible Preference shares held by them (Resolution 1) and on the exercise of their Warrants (Resolution 2) will rank in all respects equally with and have the same rights as all the other ordinary shares of Cynotech currently on issue.

### *Exemptions from the Takeovers Code*

The Hawkins Interests and the Company have obtained Exemptions from the Takeovers Code because they are unable to strictly comply with Rule 16(b) and consequently Rule 7(d) of the Takeovers Code. The Exemptions were required because it is not possible to provide with certainty in this Notice of Meeting, the percentages of shares to be issued to those parties, and consequently their percentage shareholding in the Company, in the terms required by parts of Rule 16(b) of the Takeovers Code because of:

- the possibility that shareholders may not approve both Resolutions;
- the lengthy period during which the Hawkins Interests could convert their Convertible Preference shares and exercise their Warrants; and
- the possibility that shareholders approve both Resolutions but the Hawkins Interests do not exercise their rights to convert their Convertible Preference shares or Warrants or all of them.

A condition of the Exemptions is that these Explanatory Notes contain the calculations and assumptions which appear on pages 4 and 5 and 10 to 12. These calculations disclose the potential of voting control in Cynotech that could be obtained by each of the Hawkins Interests and by the Hawkins Interests in aggregate.

### *Other Terms and Conditions of Exemptions*

The following is a summary of the other terms and conditions of the Exemptions granted by the Takeovers Panel.

Every Annual Report of the Company issued during the period until the last allotment is made must contain:

- (a) a summary of the terms of the Convertible Preference Shares and Warrants;
- (b) a summary of the terms and conditions of these Exemptions;

- (c) the number of voting securities allotted to each of the Hawkins Interests and in aggregate as at the end of the financial year as a result of the conversion of the Convertible Preference shares and the exercise of Warrants;
- (d) the maximum percentage of total voting rights that could be held or controlled by each of the Hawkins Interests, and in aggregate, as at the end of the financial year as a result of the allotment of voting securities on the conversion of all the Convertible Preference shares and the exercise of all the Warrants respectively held by them.

There is to be no change in the effective control of Cynotech Securities Limited or Newmarket Securities Limited (the only Hawkins Interests that are corporate entities) between the date of the meeting and the date of completion of the last allotment of voting securities under the conversion and Warrant exercise.

The Panel considers that the exemptions are appropriate and consistent with the objectives of the Code because:

- (a) It is impossible for the actual numbers of shares to be allotted and the relevant percentages required by rule 16(b) to be stated in the notice of meeting, as these numbers and percentages are dependent on a number of factors outside of Cynotech's control.
- (b) All non-associated shareholders will have an opportunity to vote on the allotments of voting securities.
- (c) If the non-associated shareholders approve the potential maximum allotment of voting securities, then by implication the non-associated shareholders also approve any lesser percentage of voting rights that may be allotted.
- (d) The issue of convertible shares and warrants are acknowledged methods of providing incentives to shareholders to participate and contribute to a company's growth as well as providing a company with a means of raising equity capital in New Zealand. The Panel should facilitate these arrangements by granting appropriate exemptions where necessary.

The exemptions will not apply to an exempted person if that person increases their voting control between the date of the meeting and the date of completion of the last allotment of voting securities through some means other than through the conversion or exercise of Warrants.

The form of the notice of meeting is approved by the Takeovers Panel.

*Disclaimer by Takeovers Panel*

By exempting the Hawkins Interests from Rule 7(d) and the Company from Rule 16(b) of the Code, the Takeovers Panel is:

- Neither endorsing nor supporting the accuracy or reliability of the contents of this notice of meeting; and
- Not implying it has a view on the merits of any of the proposed transactions.

*Independent Adviser's Report*

An independent adviser has been instructed to provide a report on the merits of the allotment. A full copy of the report is attached.

*Directors' Statement Under Rule 19 of the Takeovers Code*

The directors of the Company recommend that the shareholders approve the proposed allotment of shares referred to in Resolutions 1 and 2. The directors believe the transactions referred to in Resolutions 1 and 2 to be fair and reasonable and in the best interests of the Company and the shareholders for the following reasons:

- The proposed conversion of Convertible Preference shares will enhance the equity position of the Company, as those shares contain an element of liability that converts to equity when those shares are converted to ordinary shares.
- The exercise of Warrants provides additional capital to the Company. If the Warrants cannot be exercised, they will lapse.
- Conversion of Convertible Preference shares and Warrants improves the Company's debt to equity ratio.

*Statement under Rule 16(g) of the Takeovers Code*

The following statement is made by each of the persons comprising the Hawkins Interests (each referred to in the statement as *allottee*):

*There is no agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the Company in respect of the matters referred to in paragraphs (a) to (e) of Rule 16 of the Code) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.*

*Compliance with NZX Listing Rule 7.5*

Resolutions 1 and 2 are also required in order for the Company to comply with NZX Listing Rule 7.5.

That Rule states that an issuer cannot issue ordinary shares if there is a significant likelihood that the issue will result in any person or group of Associated Persons materially increasing their ability to exercise or direct the exercise of effective control of the Company, unless the precise terms and conditions of the issue have been approved by an ordinary resolution of the issuer.

Pursuant to NZX Listing Rule 6.2.2(a), an Appraisal Report is required to be prepared. That report, which is incorporated in the independent adviser's report required under the Takeovers Code, is attached to this Notice.

**FIRST SCHEDULE****Cynotech Holdings Limited**

The following are the numbers of total securities on issue by Cynotech Holdings Limited at the date of the Notice of Meeting.

<b>Ordinary Shares</b>	<b>Conv. Pref. Shares</b>	<b>Warrants</b>
104,273,039	21,884,046	28,140,489

**Hawkins Interests**

The following are the members of the group of shareholders constituting the Hawkins Interests and their current holdings of each type of security.

	<b>Ordinary Shares</b>	<b>Conv. Pref. Shares</b>	<b>Warrants</b>
Cynotech Securities Limited	10,846,576	1,954,388	4,334,775
Newmarket Securities Limited	10,800,182	2,242,915	2,332,927
Laurel Anne Hawkins	-	200,000	-
Glenn and Sonja Hawkins	768,611	130,597	78,357
Glenn Hawkins	1,098,016	197,017	111,939
Wayne Hawkins	96,653	-	48,360
Mark Hawkins	55,000	-	30,000
Maree Dawn Hawkins	91,498	15,547	9,327
Dominic Hawkins	54,898	9,328	5,596
Alisondra Hawkins	54,898	9,328	5,596
Zane Hawkins	54,898	9,328	5,596
Sophia Hawkins	54,898	9,328	5,596
Jared Hawkins	24,162	-	12,090
Cody Hawkins	24,162	-	12,090
Shannon Hawkins	24,162	-	12,090
Cathy Hutchinson	35,312	-	18,135
<b>Total</b>	<b>24,083,926</b>	<b>4,777,776</b>	<b>7,022,474</b>
<b>Total % Held</b>	<b>23.10%</b>	<b>21.83%</b>	<b>24.96%</b>

Cynotech Securities Limited is a company owned and controlled by the Executive Chairman of the Company, Allan Hawkins, his wife and interests associated with him.

Newmarket Securities Limited is a company majority owned by Cynotech Securities Limited. Allan Hawkins is a director of that company. Paul Hutchinson, another of the Company's directors, is also a director and a minority shareholder in Newmarket Securities Limited.

Cathy Hutchinson is the wife of Paul Hutchinson.

The other persons constituting the Hawkins Interests are either children or grandchildren of Allan Hawkins.

**SECOND SCHEDULE – COMBINED (Conversion of Convertible Preference Shares and Exercise of Warrants)**

	<b>Ordinary Shares Allotted - Conv. Pref. Shares</b>	<b>Ordinary Shares Allotted - Warrants</b>	<b>Total Allotment of Ordinary Shares</b>	<b>Allotment as % of Ordinary Shares Then on Issue</b>	<b>% of Ordinary Shares Held Following Transaction</b>	<b>% of Ordinary Shares Held Following Transaction together With Associates</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Cynotech Securities Limited	1,954,388	4,334,775	6,289,163	5.68	15.50	17.46
Newmarket Securities Limited	2,242,915	2,332,927	4,575,842	4.20	14.12	14.12
Laurel Anne Hawkins	200,000	-	200,000	0.19	0.19	0.19
Glenn and Sonja Hawkins	130,597	78,357	208,954	0.20	0.94	0.94
Glenn Hawkins	197,017	111,939	308,956	0.30	1.35	1.35
Wayne Hawkins	-	48,360	48,360	0.05	0.14	0.14
Mark Hawkins	-	30,000	30,000	0.03	0.08	0.08
Maree Dawn Hawkins	15,547	9,327	24,874	0.02	0.01	0.01
Dominic Hawkins	9,328	5,596	14,924	0.01	0.07	0.07
Alisondra Hawkins	9,328	5,596	14,924	0.01	0.07	0.07
Zane Hawkins	9,328	5,596	14,924	0.01	0.07	0.07
Sophia Hawkins	9,328	5,596	14,924	0.01	0.07	0.07
Jared Hawkins	-	12,090	12,090	0.01	0.04	0.04
Cody Hawkins	-	12,090	12,090	0.01	0.04	0.04
Shannon Hawkins	-	12,090	12,090	0.01	0.04	0.04
Cathy Hutchinson	-	18,135	18,135	0.02	0.05	0.05
<b>Total</b>	<b>4,777,776</b>	<b>7,022,474</b>	<b>11,800,250</b>	<b>10.17%</b>	<b>30.92%</b>	<b>33.61%</b>

**Notes**

- Columns 1 and 2: The maximum number of voting securities that could be allotted to each of the Hawkins Interests on the conversion of all of the Convertible Preference shares and on the exercise of all of the Warrants respectively.
- Column 3: The total of columns 1 and 2.
- Column 4: The maximum number of voting securities that could be allotted to each of the Hawkins Interests expressed as a percentage of the total voting securities on issue after those allotments.
- Column 5: The maximum percentage of the total voting rights on issue that could be held or controlled by each of the Hawkins Interests and their associates (not including the other Hawkins Interests) after those allotments.
- Column 6: The figures assume that CBD Solutions Limited (holding 3,125,000 ordinary shares) is an Associate of Cynotech Securities Limited, which is not accepted. If CBD Solutions Limited is not an Associate, the figures would be the same as column 5.

The calculations in respect of each of the Hawkins Interests in this Schedule are based on the following assumptions:

1. No other person (including any of the other Hawkins Interests) converts their Convertible Preference shares or exercises their Warrants.
2. There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final conversion/exercise date, other than through the conversion/exercise of the relevant Hawkins Interests' Convertible Preference Shares and Warrants.

The figures in the Totals row show the information for the Hawkins Interests (and any Associates) in the Aggregate. Those figures are based on the following assumptions:

- No other person converts their Convertible Preference shares or exercises their Warrants.
- There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final conversion/exercise date, other than through the conversions of the Hawkins Interests' Convertible Preference shares and Warrants.

**THIRD SCHEDULE - CONVERSION OF CONVERTIBLE PREFERENCE SHARES**

	<b>Ordinary Shares Allotted - Conv. Pref. Shares</b>	<b>Allotment as % of Ordinary Shares Then on Issue</b>	<b>% of Ordinary Shares Held Following Transaction</b>	<b>% of Ordinary Shares Held Following Transaction together With Associates</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Cynotech Securities Limited	1,954,388	1.84	12.05	14.99
Newmarket Securities Limited	2,242,915	2.10	12.27	12.27
Laurel Anne Hawkins	200,000	0.19	0.19	0.19
Glenn and Sonja Hawkins	130,597	0.13	0.86	0.86
Glenn Hawkins	197,017	0.19	1.24	1.24
Wayne Hawkins	-	-	-	-
Mark Hawkins	-	-	-	-
Maree Dawn Hawkins	15,547	0.01	0.10	0.10
Dominic Hawkins	9,328	0.01	0.06	0.06
Alisondra Hawkins	9,328	0.01	0.06	0.06
Zane Hawkins	9,328	0.01	0.06	0.06
Sophia Hawkins	9,328	0.01	0.06	0.06
Jared Hawkins	-	-	-	-
Cody Hawkins	-	-	-	-
Shannon Hawkins	-	-	-	-
Cathy Hutchinson	-	-	-	-
<b>Total</b>	<b>4,777,776</b>	<b>4.38%</b>	<b>26.46%</b>	<b>29.25%</b>

**Notes**

- Column 1: The maximum number of voting securities that could be allotted to each of the Hawkins Interests on the conversion of all of their Convertible Preference shares.
- Column 2: The maximum number of voting securities that could be allotted to each of the Hawkins Interests expressed as a percentage of the total voting securities on issue after those allotments.
- Column 3: The maximum percentage of the total voting rights on issue that could be held or controlled by each of the Hawkins Interests and their associates (not including the other Hawkins Interests) after those allotments.
- Column 4: The figures assume that CBD Solutions Limited (holding 3,125,000 ordinary shares) is an Associate of Cynotech Securities Limited, which is not accepted. If CBD Solutions Limited is not an Associate, the figures would be the same as column 3.

The calculations in respect of each of the Hawkins Interests in this Schedule are based on the following assumptions:

1. No other person (including any of the other Hawkins Interests) converts their Convertible Preference shares.
2. There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final conversion date, other than through the conversion of the relevant Hawkins Interests Convertible Preference Shares.

The figures in the Totals row show the information for the Hawkins Interests (and their Associate) in the Aggregate. Those figures are based on the following assumptions:

- No other person converts their Convertible Preference shares.
- There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final conversion date, other than through the conversions of the Hawkins Interests' Convertible Preference shares.

**FOURTH SCHEDULE – EXERCISE OF WARRANTS**

	<b>Ordinary Shares Allotted - Warrants</b>	<b>Allotment as % of Ordinary Shares Then on Issue</b>	<b>% of Ordinary Shares Held Following Transaction</b>	<b>% of Ordinary Shares Held Following Transaction together With Associates</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Cynotech Securities Limited	4,334,775	3.99	13.98	16.86
Newmarket Securities Limited	2,332,927	2.19	12.32	12.32
Laurel Anne Hawkins	-	-	-	-
Glenn and Sonja Hawkins	78,357	0.08	0.81	0.81
Glenn Hawkins	111,939	0.11	1.16	1.16
Wayne Hawkins	48,360	0.05	0.14	0.14
Mark Hawkins	30,000	0.03	0.08	0.08
Maree Dawn Hawkins	9,327	0.01	0.10	0.10
Dominic Hawkins	5,596	0.01	0.06	0.06
Alisondra Hawkins	5,596	0.01	0.06	0.06
Zane Hawkins	5,596	0.01	0.06	0.06
Sophia Hawkins	5,596	0.01	0.06	0.06
Jared Hawkins	12,090	0.01	0.03	0.03
Cody Hawkins	12,090	0.01	0.03	0.03
Shannon Hawkins	12,090	0.01	0.03	0.03
Cathy Hutchinson	18,135	0.02	0.05	0.05
<b>Total</b>	<b>7,022,474</b>	<b>6.30%</b>	<b>27.95%</b>	<b>30.30%</b>

**Notes**

- Column 1: The maximum number of voting securities that could be allotted to each of the Hawkins Interests on the exercise of all the Warrants.
- Column 2: The maximum number of voting securities that could be allotted to each of the Hawkins Interests expressed as a percentage of the total voting securities on issue after those allotments.
- Column 3: The maximum percentage of the total voting rights on issue that could be held or controlled by each of the Hawkins Interests and their associates (not including the other Hawkins Interests) after those allotments.
- Column 4: The figures assume that CBD Solutions Limited (holding 3,125,000 ordinary shares) is an Associate of Cynotech Securities Limited, which is not accepted. If CBD Solutions Limited is not an Associate, the figures would be the same as column 3.

The calculations in respect of each of the Hawkins Interests in this Schedule are based on the following assumptions:

1. No other person (including any of the other Hawkins Interests) exercises their Warrants.
2. There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final exercise date, other than through the exercise of the Relevant Hawkins Interests Warrants..

The figures in the Totals row show the information for the Hawkins Interests (and their Associate) in the Aggregate. Those figures are based on the following assumptions:

- No other person exercises their Warrants.
- There is no change to the total number of voting securities on issue between the date of the notice of meeting and the final exercise date, other than through the exercise of the Hawkins Interests' Warrants.