

MIDWAY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (**AGM**) of Midway Limited will be held on **Tuesday, 1 December 2020** commencing at **10:00am (AEDT)**.

Because of the COVID-19 pandemic, the AGM will be held as a virtual meeting via an online platform. There will be no physical meeting to attend.

Shareholders will be able to view the AGM live as well as ask questions during the meeting by joining the webcast of the AGM at

<https://tinyurl.com/MidwayAGM2020>

Shareholders will also be able to vote during the AGM using the Lumi voting app at

<https://web.lumiagm.com/379285133>

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum and Voting Information, which form part of this notice.

BUSINESS OF THE MEETING

- 1. To consider the Company's financial report, directors' report, and auditor's report for the year ended 30 June 2020.**
- 2. Adoption of the remuneration report.**
- 3. Re-election of Nils Gunnensen as a director.**
- 4. Issue of performance rights to Anthony Price, the Managing Director.**

Shareholders should note that the meeting is being held virtually.

As such, there is the possibility of failure of the webinar or online voting technology employed.

Shareholders who wish to vote are thus urged to appoint a proxy in advance of the meeting, rather than voting during the meeting.

Proxy appointments must be received by the share registry by **10:00am (AEDT) Sunday 29 November 2020**.

This notice has been approved by the Board of Midway and is dated 20 October 2020.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with important background information in relation to each item of business.

ITEM 1. FINANCIAL, DIRECTORS', AND AUDITOR'S REPORTS

This item of business is to consider the Company's financial report, directors' report, and auditor's report for the year ended 30 June 2020. These reports are contained within the Company's Annual Report, available on the Company's website at <https://www.midwaylimited.com.au/investor-center/>

There is no requirement for a resolution on this item.

Shareholders will be given a reasonable opportunity at the meeting to ask questions about, and comment on, the reports. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor (KPMG) questions about its audit report, the conduct of its audit, the accounting policies adopted by the Company, and the independence of KPMG in relation to the conduct of the audit.

ITEM 2. ADOPTION OF THE REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2020. The Remuneration Report is contained within the Annual Report.

A summary of the Remuneration Report for the year ended 30 June 2020 is as follows:

- The Chairman of the Company receives remuneration of \$220,000 p.a. and the other non-executive directors receive remuneration of \$120,000 p.a. The Chairs of the Audit and Risk Committee and the Remuneration and Nomination Committee each receive additional remuneration of \$11,000 p.a.
- The Managing Director received base remuneration of \$512,192. He received nil short-term incentive (maximum \$256,096). He was issued 65,000 ordinary shares during the year on vesting of performance rights issued on ASX listing of the Company in 2016, with performance period to June 2019. He was granted 73,197 performance rights during the year as approved by shareholders at the 2019 AGM, none of which have vested to date.
- The Chief Financial Officer received base remuneration of \$341,453. He received nil short-term incentive (maximum \$112,680). He was granted 29,278 performance rights during the year in accordance with a long-term incentive plan approved by shareholders at the 2019 AGM, none of which have vested to date.
- As a result of the Group's performance, directors and senior staff agreed to take a 20% reduction in remuneration for the three months commencing 1 May 2020. As a result, non-executive directors received reduced actual remuneration compared with that outlined above.

In accordance with the Corporations Act, the vote on this item is advisory only and does not bind the Board or the Company. However, the Board will consider any

discussion on this resolution and the outcome of the vote when determining the future remuneration policies and practices of the Company.

In accordance with the Corporations Act, if the Company receives AGAINST votes of 25% or more in relation to the Remuneration Report at two successive AGM's, a spill resolution will be put to shareholders at the second AGM. If the spill resolution is passed (50% or more of the votes FOR), the Company will, within 90 days, hold a general meeting to vote on whether to keep the directors. At the 2019 AGM, 99.33% of the votes cast were FOR the adoption of the Remuneration Report, so the question of a spill resolution does not arise at this AGM.

Board Recommendation

The Board recommends that shareholders vote **FOR** this resolution.

Chairman's Available Proxies

The Chairman of the meeting intends to vote all available proxies **FOR** this resolution.

ITEM 3. RE-ELECTION OF NILS GUNNERSEN AS A DIRECTOR

Clause 7.1(g) of the Company's constitution requires that one third of the directors (rounded to the nearest whole number), other than the Managing Director, retire at each AGM. The directors to retire are those who have held office as a director for the longest period of time since their last election to office, or in the event that two or more directors have held office for the same period of time, those directors determined by lot or by agreement amongst the directors. As the Board comprises seven non-executive directors, two directors are required to retire at the AGM.

In determining the directors to retire at the AGM, Mr Anthony Bennett has held office for the longest time since his last election to office. However, Mr Bennett has advised the Board that he would not seek re-election and accordingly he will retire from the Board at the conclusion of the AGM.

Of the remaining directors who have held office for the longest period since last election, Mr Nils Gunnensen was determined by lot to retire. Mr Nils Gunnensen offers himself for re-election.

About Nils Gunnensen

Mr Nils Gunnensen has been a director of Midway since October 2012. He holds a Bachelor of Business (Agricultural Commerce) and is a graduate of the Australian Rural Leadership Programme. He was previously Executive Director and then Managing Director of Gunnensen Pty Ltd, a large independent wood products distributor in Australia and New Zealand, until sale of the business in 2019. He is a trustee of the Gottstein Trust, a charitable trust which supports education in the forest products industry. He has over 25 years' management experience in forest industries businesses across resources, operations, finance, IT, compliance, sales and marketing, within Australia and overseas. Nils is currently a director of Chebmont Pty Ltd, which is a substantial shareholder of Midway shares. He is Chairman of Midway's Work Health Safety and Sustainability Committee.

Nils Gunnensen is not considered an independent director due to Chebmont Pty Ltd's holding of approximately 23% of the Company's issued shares.

Board Recommendation

The Board (with Nils Gunnensen abstaining) recommends that shareholders vote **FOR** this resolution.

Chairman's Available Proxies

The Chairman of the meeting intends to vote all available proxies **FOR** this resolution.

ITEM 4. ISSUE OF PERFORMANCE RIGHTS TO ANTHONY PRICE

Under ASX Listing Rule 10.14, Midway must seek shareholders' approval for the issue of equity securities to Mr Anthony (Tony) Price, the Managing Director of the Company. The performance rights form one component of his remuneration (the Long-Term Incentive Plan (LTIP)) over the performance period July 2020 – June 2023.

The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. If Midway's total shareholder returns (TSR) are at median with or greater than other companies within an appropriate comparator group, then Tony will benefit as will all shareholders. If, however, Midway's TSR is below par, the vesting conditions will not be met and the performance rights will lapse and be worthless.

Terms of Performance Rights

Each performance right entitles Tony to receive one ordinary share in the Company if the performance hurdles are met. The shares acquired may be new issue shares, or acquired on market, as determined by the Board. Tony will receive any shares shortly after the end of the 2023 financial year.

Number of Performance Rights

281,920 performance rights are proposed for issue. This number has been determined on the basis that 50% of Tony's base remuneration of \$512,192 will form his LTI component, and the volume weighted average price at which Midway shares traded during June 2020 (\$0.9084):

$$512,192 / 2 / 0.9084 = 281,920 \text{ performance rights}$$

In addition to his base remuneration, Tony may receive a short-term cash incentive of up to 50% of his base remuneration i.e. \$256,096 according to the measures set out in the Remuneration Report.

Performance Hurdles

The percentage of performance rights that will vest at the end of the performance period will depend on Midway's TSR over the performance period relative to a comparator group of companies in the S&P/ASX 300 Index, excluding mining and energy companies.

If Midway's TSR is:

- Less than the median of the comparator group, no performance rights will vest;
- At the median of the comparator group, 50% of the performance rights will vest;
- Between the median and the 75th percentile of the comparator group, a straight-line pro-rata vesting of between 50% and 100% of the performance rights will occur; and
- Greater than 75th percentile of the comparator group. 100% of the performance rights will vest.

Cessation of Employment

If Tony's employment ceases during the performance period due to breach of employment conditions or termination for any reason other than death, illness or injury, then the performance rights will lapse immediately unless the Board decides otherwise.

Other Information

Tony will receive the performance rights at no cost. No dividends will be paid on the performance rights prior to vesting. The performance rights do not carry any voting rights. Tony will participate in bonus issues, rights issues and capital reorganisations on terms as contemplated in the ASX Listing Rules.

The Board has discretion to reduce or cancel the performance rights or require Tony to repay to the Company the market value of the shares post-vesting in certain circumstances. These circumstances include fraud, dishonesty, misconduct, and financial misstatement such that the performance rights should not have vested.

In the event of a change of control of Midway, unvested performance rights will vest subject to the Board's discretion.

Tony received 65,000 performance rights under the LTIP following the listing of the Company in 2016. Those performance rights vested in full and the shares were issued in August 2019. Tony was awarded a further 73,197 LTI performance rights in 2019 as approved by shareholders at the 2019 AGM, which have not yet vested.

If shareholders approve the resolution, the performance rights will be issued to Tony within one month of the meeting and they will be included in the 2021 Remuneration Report.

Board Recommendation

The Board (with Tony abstaining) recommends that shareholders vote **FOR** this resolution.

Chairman's Available Proxies

The Chairman of the meeting intends to vote all available proxies **FOR** this resolution.

VOTING INFORMATION

Entitlement to Attend and Vote at the AGM

All shareholders may attend the AGM. For the purposes of voting at the AGM, the directors have determined that shareholders will be taken to be those persons who are registered as holding shares in Midway at 7:00pm (AEDT) on Sunday 29 November 2020.

How to Vote

Shareholders may vote by appointing a proxy to participate on their behalf at the AGM at www.investorvote.com.au using the Control Number (134825) and their Securityholder Reference Number (SRN) or Holder Identification Number (HIN), by accessing the link forwarded by email, or by logging in to the Investor Centre at computershare.com.au

Shareholders may vote by attending the AGM online and casting their votes using the following link during the meeting <https://web.lumiagm.com/> and Meeting ID 379-285-133

Shareholders may still participate in the online meeting and vote even if they have appointed a proxy. Participation in the meeting will cancel the proxy appointment (unless Computershare Investor Services is instructed otherwise by the shareholder).

Custodian holders who are Intermediary Online subscribers should visit www.intermediaryonline.com to submit voting instructions.

Appointing a Proxy

To be effective, proxy appointments must be received by Computershare Investor Services no later than 10:00am (AEDT) on Sunday 29 November 2020 by one of the following methods:

Online: At www.investorvote.com.au by following the instructions. Shareholders will need the Control Number and SRN or HIN;

Online: At computershare.com.au by logging into the Investor Centre. Shareholders will need an account to do this;

Mobile: By scanning the QR code on the hard copy advice of the meeting. Shareholders will need their SRN or HIN;

Mail: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Vic 3001, Australia; or

Fax: 1800 783 447 within Australia or +61 3 9473 2555 outside Australia.

A proxy may be an individual or body corporate and is not required to be a shareholder of Midway.

A shareholder who is entitled to two or more votes may appoint two proxies and may specify the percentage or number of votes each proxy may exercise. Where the percentage or number of votes is not specified, each proxy may exercise half the votes.

Corporate Representatives

A body corporate which is a shareholder or has been appointed a proxy may appoint an individual to act as its representative at the AGM. An "Appointment of Corporate Representative" form is available online at www.investorcentre.com (select "Printable Forms" section under the "Help" tab). The representative should deliver a properly executed Appointment of Corporate Representation Form or other document confirming his or her authority to act as the Company's representative to Computershare Investor Services prior to the AGM.

Undirected Proxies and Chairman's Voting Instructions

If you appoint the Chairman as your proxy and have not directed the Chairman how to vote, you are authorising the Chairman to cast your undirected proxy in favour of all proposed resolutions, which are set out in this notice. The Chairman intends to vote all such undirected proxies in favour of all resolutions.

Proxies in Favour of KMPs

If you appoint a Director (other than the Chairman) or a member of Key Management Personnel (KMP) or any closely related party of such as your proxy, they will not be able to vote your proxy on Resolutions 2 or 4, unless you have directed them how to vote.

Voting at the AGM

Voting on each of the proposed resolutions at the AGM will be conducted by a poll.

Shareholder questions

Shareholders may ask questions during the AGM about any of the resolutions being considered at the AGM or general questions about the Company's management or performance. Shareholders may also ask questions of the Company's auditor about the content of the Auditor's Report or the conduct of the audit. In addition, shareholders may submit written questions prior to the AGM by emailing Midway's Company Secretary at rbennett@midwaylimited.com.au, no later than 5:00pm on 24 November 2020.

Voting Exclusions

Midway will disregard any votes cast on resolutions 2 and 4 by or on behalf of any member of Midway's key management personnel (KMP) (or their closely related parties) whose remuneration details are included in Midway's remuneration report for the year ended 30 June 2020.

However, a person described above may cast a vote on resolutions 2 or 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- the vote is cast by the Chairman of the AGM and the appointment of the Chairman as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

A closely related party of a KMP includes:

- a company that the KMP controls;
- the KMP's spouse, child or dependent (or a child or dependent of the KMP's spouse); or
- anyone else who is a member of the KMP's family and who may be expected to influence, or be influenced by, the KMP, in the KMP's dealing with the Company.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (AEDT) on Sunday, 29 November 2020.**

Midway Limited Annual General Meeting

This year, as part of the Australian Government's response to the Coronavirus crisis, temporary modifications have been made to the *Corporations Act 2001* under the *Corporations (Coronavirus Economic Response) Determination (No.3) 2020*.

These modifications allow notices of meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. We are relying on technology to facilitate shareholder engagement and participation in the meeting. Details of where you can access the notice of meeting, lodge a proxy and participate in the meeting are contained in this letter.

Meeting date and location:

The Annual General Meeting of Midway Limited will be a virtual meeting, which will be conducted online on Tuesday, 1 December 2020 at 10:00 am (AEDT).

Attending the meeting online:

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your vote in real time.

Webcast and Questions

To view the live webcast and ask questions online you will need to visit <https://tinyurl.com/MidwayAGM2020>

Voting

To vote online during the meeting you will need to visit web.lumiagm.com/379285133 on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/onlinevotingguide>

Access the meeting documents and lodge your proxy online:

Online:

Access the meeting documents and lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 134825

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 am (AEDT) on Sunday, 29 November 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

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 or abstain as they choose (to the extent permitted by law). 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 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 number 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 Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 134825

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Midway Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Midway Limited to be held as a virtual meeting on Tuesday, 1 December 2020 at 10:00 am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 & 4 (except where I/we have indicated a different voting intention in step 2) even though Items 2 & 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 & 4 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
ITEM 2 ADOPTION OF THE REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ITEM 3 RE-ELECTION OF NILS GUNNERSEN AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ITEM 4 ISSUE OF PERFORMANCE RIGHTS TO ANTHONY PRICE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

