



D A M S T R A

Damstra Holdings Limited ACN 610 571 607

# Notice of Annual General Meeting

**Time:** 10:30am AEDT

**Date:** Friday, 26 November 2021

**Contents**

Business of the Annual General Meeting	5
Explanatory Memorandum	11
Glossary	27
Annexure A – Terms of Initial Warrants the Subject of Resolution 3	29
Annexure B – Terms of Options the subject of Resolution 6 to Resolution 9	30
Voting Form	Attached

**Important notice**

This Notice should be read in conjunction with the Explanatory Memorandum. The Explanatory Memorandum contains important information about the matters to be considered at the Annual General Meeting of Damstra Holdings Limited to assist Shareholders to determine how to vote on the Resolutions set out in this Notice.

Should you wish to discuss any of the matters detailed in this Notice, please do not hesitate to contact the Company Secretary on +61 3 9614 2444 or [chodges@cdplus.com.au](mailto:chodges@cdplus.com.au).

# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DAMSTRA HOLDINGS LIMITED

Notice is given that the annual general meeting of Shareholders of Damstra Holdings Limited (ACN 610 571 607) (Damstra or the Company) will be held on **Friday, 26 November 2021** at **10:30am AEDT**.

The Meeting will be streamed live for Shareholders to view and participate. Please see page 4 below for details.

## Important Information

### Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm AEDT on Wednesday, 24 November 2021.

### Voting in person at the Meeting

In an effort to manage restrictions due to COVID-19 and for the health and safety of Shareholders, Shareholders will not be able to attend or vote at the Meeting in person. The Meeting will be streamed live via webcast for Shareholders to view the Meeting.

The Company urges all Shareholders to please utilise the online facilities offered. Shareholders will be able to view the live webcast of the Meeting, vote online in real time and ask Directors questions online.

For further information, please see the section below titled '*Direct voting during the Meeting*' and the Online Shareholders' Meeting Guide at [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)

### Voting by proxy or online prior to Meeting

To submit a direct vote prior to the Meeting, or to appoint a proxy online, please go to:

- [www.investorvote.com.au](http://www.investorvote.com.au) and follow the instructions on your Voting Form; or
- [www.intermediaryonline.com](http://www.intermediaryonline.com) for Intermediary Online subscribers.

You may also appoint a proxy by completing and signing the enclosed Voting Form and returning it by the time and in accordance with the instructions set out on the Voting Form. Proxies will be able to view the live webcast of the Meeting, vote online in real time in accordance with their proxy instructions and ask Directors questions online. For further information, please see the Online Shareholders' Meeting Guide attached to this Notice.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy; and
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholders' votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

## NOTICE OF ANNUAL GENERAL

### CONTINUED

#### Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must only vote on a poll; and
- if the proxy is the Chair, the proxy must vote on a poll, and must vote that way (ie. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie. as directed).

#### Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at the Meeting; and
- the appointed proxy is not the Chair; and
- at the Meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the Meeting; or
  - the proxy does not vote on the Resolution,the Chair is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the Meeting.

#### Direct voting

In accordance with rule 5.9(a) of the Constitution, the Directors have:

- determined that for the Meeting, a shareholder that is entitled to attend and vote at the Meeting may submit a direct vote; and
- approved the matters specified below as the means by which Shareholders may deliver a direct vote.

A Shareholder entitled to attend and vote at the Meeting may direct vote by:

- delivering prior to the Meeting a valid notice of their voting intention by means of a direct vote; or
- delivering a direct vote during the Meeting if participating online.

#### Direct voting prior to the Meeting

A Shareholder may deliver a direct vote by indicating on the Voting Form that they are casting their vote directly and then placing a mark in one of the boxes opposite each item of business on the Voting Form. All of the Shareholder's shares will be voted in accordance with such direction, unless the Shareholder indicates that their direction is:

- to vote only a portion of their votes on any item; or
- to cast their votes in different ways on any item, by inserting the number of shares in the appropriate box or boxes.

If a Shareholder indicates that they are lodging their votes directly and then does not mark any of the boxes on a given item, no direct vote will be recorded on that item.

If a Shareholder indicates that they are delivering their votes directly and then marks more than one box on an item, their vote on that item will be invalid. If a Shareholder inserts a number of shares in boxes on any item that in total exceeds the number of shares that the Shareholder holds as at the voting entitlement time, the Shareholder's vote on that item will be invalid, unless the Shareholder inserted the number of shares in one box only, in which case it will be taken to be valid for the total number of shares held at that time.

## NOTICE OF ANNUAL GENERAL

CONTINUED

### Direct voting during the Meeting

Shareholders who wish to participate in the Meeting online may do so:

- from their computer, by entering the URL in their browser: [web.lumiagm.com/315917257](http://web.lumiagm.com/315917257) or
- from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com>

If you choose to participate in the Meeting online, you can log in to the Meeting by entering:

- the meeting ID for the Meeting, which is: **315-917-257**
- your username, which is your SRN/HIN
- your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to Online Shareholders' Meeting Guide attached to this Notice for password details.

Attending the Meeting online enables Shareholders to view the Meeting live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress.

More information regarding participating in the Meeting online, including browser requirements, is detailed in the Online Shareholders' Meeting Guide attached to this Notice.

Shareholders who submit direct votes appoint the Chair as their representative for the purposes of rule 5.5 of the Constitution (determination of quorum).

However, Shareholders who submit direct votes will not be entitled to the following rights of Shareholders attending the Meeting by proxy, attorney or representative:

- to join in the election of the chairman of the Meeting under rule 5.6(c) of the Constitution if there is a vacancy in the chairman; or
- to object to the qualification of a voter under rule 5.10(h) of the Constitution.

### Corporate representatives

A Shareholder that is a body corporate may appoint an individual to act as its representative at the Meeting by providing a duly executed certificate of appointment of corporate representative (**Certificate**). Unless otherwise specified in the Certificate, the representative may exercise all or any of the powers that the body corporate may exercise at the Meeting or in voting on a Resolution. A Certificate is available upon request from the Share Registry.

Appointments must be lodged in advance of the Meeting with the Company's Share Registry.

# BUSINESS OF THE ANNUAL GENERAL MEETING

## Ordinary business

### 1. Financial Statements and Reports

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2021, including the financial statements, Directors' Report, the Remuneration Report and the auditor's report.

### 2. 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2021."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Exclusion Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any Restricted KMP Voter. However, a Restricted KMP Voter may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the Restricted KMP Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- the Restricted KMP Voter is the Chair and the appointment of the Chair as proxy:
  - does not specify the way the proxy is to vote on this Resolution; and
  - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### 3. Resolution 2 – Re-Election of Director – Mr Simon Yencken

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

*"THAT Mr Simon Yencken, having retired from his office as Director in accordance with rule 6.1(f)(i)(A) of the Constitution and ASX Listing Rule 14.5, and being eligible, having offered himself for re-election, be re-elected as a Director of the Company."*

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 4. Resolution 3 – Ratification of prior issue of Warrants issued under ASX Listing Rule 7.1

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

*"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 8 Warrants to the PFG Nominees on 1 July 2021 under ASX Listing Rule 7.1 on the terms and conditions as set out in the Explanatory Memorandum."*

#### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, each PFG Nominee or any of their Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or

## BUSINESS OF THE ANNUAL GENERAL MEETING

### CONTINUED

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 5. Resolution 4 – Ratification of prior issue of Completion Shares under ASX Listing Rule 7.1

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

*“THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 12,000,000 Completion Shares under ASX Listing Rule 7.1 to the Vendors on 15 October 2021 on the terms and conditions as set out in the Explanatory Memorandum.”*

#### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, the Vendors or any of their Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 6. Resolution 5 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **Special Resolution**:

*“THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to ASX Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

#### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue of equity securities under this Resolution or a person who may obtain a material benefit as a result of, except a benefit solely in the capacity of a security holder, if the Resolution is passed or any Associates of those persons.

## BUSINESS OF THE ANNUAL GENERAL MEETING

### CONTINUED

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the direction given to the Chair as specified in the Voting Form; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Note:** As at the date of this Notice, the Company is not proposing to make any issue of equity securities under ASX Listing Rule 7.1A. Accordingly, no Shareholders are excluded from voting on this Resolution.

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 7. Resolution 6 – Approval of Director participation in Equity Incentive Plan and issue of ZPOs to Christian Damstra

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 48,612 ZPOs to Christian Damstra, Chief Executive Officer and Executive Director of the Company, on the terms and conditions set out in the Explanatory Memorandum.”*

#### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any Director and any person who is eligible to participate in the EIP who is an Associate of a Director or a person whose relationship with the Company, Director or their Associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders, or any of their respective Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member acting as a proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, a vote may be cast by such persons if:

- it is cast by a member of the Key Management Personnel or their Closely Related Parties as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, and it is not cast on behalf of Christian Damstra or his Affiliates; or
- it is cast by the Chair (who is a member of the Key Management Personnel) as a proxy and the proxy appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## BUSINESS OF THE ANNUAL GENERAL MEETING

### CONTINUED

The Chair intends to vote all undirected proxies in favour of this Resolution.

#### **8. Resolution 7 – Approval of Director participation in Equity Incentive Plan and issue of ZPOs to Johannes Risseeuw**

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 62,023 ZPOs to Johannes Risseeuw, Chairman and Executive Director of the Company, on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any Director and any person who is eligible to participate in the EIP who is an Associate of a Director or a person whose relationship with the Company, Director or their Associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders or any of their respective Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member acting as a proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, a vote may be cast by such persons if:

- it is cast by a member of the Key Management Personnel or their Closely Related Parties as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, and it is not cast on behalf of Johannes Risseeuw or his Affiliates; or
- it is cast by the Chair (who is a member of the Key Management Personnel) as a proxy and the proxy appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote all undirected proxies in favour of this Resolution.

#### **9. Resolution 8 – Approval of Director participation in Equity Incentive Plan and issue of PPOs to Christian Damstra**

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 148,441 PPOs to Christian Damstra, Chief Executive Officer and Executive Director of the Company, on the terms and conditions set out in the Explanatory Memorandum.”*

## BUSINESS OF THE ANNUAL GENERAL MEETING

CONTINUED

### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any Director and any person who is eligible to participate in the EIP who is an Associate of a Director or a person whose relationship with the Company, Director or their Associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders or any of their respective Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member acting as a proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, a vote may be cast by such persons if:

- it is cast by a member of the Key Management Personnel or their Closely Related Parties as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, and it is not cast on behalf of Christian Damstra or his Affiliates; or
- it is cast by the Chair (who is a member of the Key Management Personnel) as a proxy and the proxy appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 10. Resolution 9 – Approval of Director participation in Equity Incentive Plan and issue of PPOs to Johannes Risseeuw

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

*"THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 189,390 PPOs to Johannes Risseeuw, Chairman and Executive Director of the Company, on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any Director and any person who is eligible to participate in the EIP who is an Associate of a Director or a person whose relationship with the Company, Director or their Associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders or any of their respective Associates. However, the Company need not disregard a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair of the Meeting to vote on this Resolution as the Chair decides; or

## BUSINESS OF THE ANNUAL GENERAL MEETING

### CONTINUED

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on this Resolution; and
  - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast on this Resolution by a member of the Key Management Personnel or a Closely Related Party of such a member acting as a proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, a vote may be cast by such persons if:

- it is cast by a member of the Key Management Personnel or their Closely Related Parties as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, and it is not cast on behalf of Johannes Risseeuw or his Affiliates; or
- it is cast by the Chair (who is a member of the Key Management Personnel) as a proxy and the proxy appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 11. Resolution 10 – Approval of Financial Assistance

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

*“THAT for the purposes of section 260B(2) of the Corporations Act and for all other purposes, approval is given for financial assistance to be provided by TIKS in connection with the TIKS Acquisition as described in the Explanatory Memorandum.”*

The Chair intends to vote all undirected proxies in favour of this Resolution.

### 12. OTHER BUSINESS

To transact any other business which may legally be brought before the Meeting.

Dated: 26 October 2021

By order of the Board



Carlie Hodges  
Company Secretary

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution.

## 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on its website at <https://www.damstratechnology.com/investors>.

Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports, and on the management of the Company, and to ask questions of the auditor.

## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and other Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Report. The Chair must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

### 2.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution in respect of a remuneration report vote against the adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting. If a Spill Resolution is put to shareholders, all of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting each person whose election or re-election as a director of the company was approved will continue as a director of the company.

### 2.3 Previous voting results

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% of votes cast. Accordingly, a Spill Resolution is not required for this Annual General Meeting.

## EXPLANATORY MEMORANDUM

CONTINUED

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Person appointed as proxy	Where directions are given on Voting Form	Where no directions are given on Voting Form
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of proxy if expressly authorised to do so under the Voting Form <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of proxy

Notes:

- Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that Key Management Personnel.
- Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of the Chair.
- Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- The Voting Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SIMON YENCKEN

### 3.1 General

Rule 6.1(f)(i) of the Constitution requires that an election of Directors must take place each year and, excluding the Managing Director and any Director appointed to fill a casual vacancy who must retire under rule 6.1(e):

(A) one third of remaining Directors; and

(B) any Director who, if they did not retire, will at the conclusion of the meeting have been in office for three or more years or for three or more annual general meetings since they were last elected to office,

must retire from office. Rule 6.1(g) states that the Director who must retire at a meeting in accordance with rule 6.1(f)(i)(A) is the Director who has been longest in office since their last election. Rule 6.1(i) of the Constitution allows a Director who retires under rule 6.1(f) to be eligible for re-election at that meeting.

Mr Simon Yencken was appointed to the Board on 1 August 2019 and has been longest in office since his last election. Accordingly, in accordance with rules 6.1(f)(i)(A) and 6.1(g) of the Constitution, Mr Simon Yencken must retire as Director at the Meeting and, being eligible, will stand for re-election.

Personal particulars of Mr Simon Yencken are set out below.

### 3.2 Mr Simon Yencken

Simon joined the Company as a Non-Executive Director in 2019. He is the Chief Executive Officer and founder of Fanplayr Inc, which is a global customer experience personalization platform.

Prior to joining the Company, he was a Director of Aconex Limited for 10 years (including Chairman between 2011 and 2014). Aconex was a provider of cloud collaboration software for the construction industry, which was acquired by Oracle in 2018 for approximately US\$1.2 billion. He is currently also Chairman of Matrak which is a venture capital backed construction tracking platform built to enable end-to-end supply chain visibility.

Simon is an active investor in start-up technology, including Dokio, Matrak Industries, and Moda Operandi and Blackbird VC.

### 3.3 Board Recommendation

The Board (other than Simon Yencken who has abstained from making a recommendation on Resolution 2 due to his personal interest) recommends that you vote in favour of Resolution 2. Each of the Directors currently intends to vote their respective shareholdings in favour of this Resolution.

## EXPLANATORY MEMORANDUM

CONTINUED

### 4. RESOLUTION 3 AND RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF WARRANTS AND RATIFICATION OF PRIOR ISSUE OF SHARES UNDER ASX LISTING RULE 7.1

#### 4.1 General

##### Issue of Warrants

On 1 July 2021, the Company announced it had refinanced its existing debt facilities and signed an agreement for a \$20 million three-year debt facility (Facility) with Partners for Growth VI, L.P. (PFG) (the Facility Agreement). In connection with the Facility Agreement, Damstra agreed to issue a total of 16 Warrants (PFG Warrants) exercisable into up to 1,603,884 Shares at varying exercise prices representing a 20–50% premium to the five-day volume weighted average price of Damstra's Shares up to and including the last trading day before the announcement was made on 1 July 2021. It was noted that the PFG Warrants would be issued to PFG and a related entity of PFG (PFG Nominees) in two (2) tranches, the first of which was issued on entry into the Facility Agreement on 1 July 2021 (the Initial Warrants) and the second tranche (the Final Warrants) on the date that the Company draws down the second and final tranche of the Facility in accordance with the terms of the Facility Agreement.

Accordingly, on 1 July 2021, the Company also announced that it has issued a total of 8 Initial Warrants to the PFG Nominees as follows:

- 2 Warrants each exercisable into 104,404 Shares on or before 30 June 2028 (Expiry Date), at an exercise price of \$1.05 per Share;
- 2 Warrants each exercisable into 96,373 Shares on or before the Expiry Date, at an exercise price of \$1.14 per Share;
- 2 Warrants each exercisable into 178,979 Shares on or before the Expiry Date, at an exercise price of \$1.23 per Share; and
- 2 Warrants each exercisable into 222,729 Shares on or before the Expiry Date, at an exercise price of \$1.32 per Share.

The Company issued the Initial Warrants under its 15% Placement Capacity. The issue of the Initial Warrants did not breach ASX Listing Rule 7.1.

The Company is yet to issue the Final Warrants to the PFG Nominees.

Under Resolution 3, the Company is seeking Shareholder ratification of the issue of the Initial Warrants pursuant to ASX Listing Rule 7.4. Such approval will refresh the Company's ability to issue that number of securities under its 15% Placement Capacity in the future.

##### Agreement to issue Completion Shares

On 30 September 2021, the Company announced that it had entered into a share sale agreement to acquire 100% of the shares in TIKS Solutions Pty Ltd (TIKS). As part consideration for the acquisition of TIKS, the Company agreed to issue 12,000,000 Shares (Completion Shares) to the shareholders of TIKS (the Vendors), S&A Marciano Pty Ltd (S&A Marciano), HB Technology Pty Ltd (HB Technology) and Doughswell Pty Ltd, on completion of the transaction at a deemed issue price of \$1.00 per Completion Share.

The Vendors have agreed that the Completion Shares to be issued to S&A Marciano will be subject to voluntary escrow restrictions (Escrow) for 24 months from the date of issue, and Completion Shares issued to HB Technology will be subject to Escrow for 12 months from the date of issue.

The Completion Shares were subsequently issued on 15 October 2021 under the Company's 15% Placement Capacity. The issue of the Completion Shares did not breach ASX Listing Rules 7.1.

Under Resolution 4, the Company is seeking Shareholder ratification of the issue and allotment of the Completion Shares pursuant to ASX Listing Rule 7.4. Such approval will refresh the Company's ability to issue that number of securities under its 15% Placement Capacity in the future.

#### 4.2 ASX Listing Rules 7.1 and 7.4

Broadly speaking, subject to certain exceptions prescribed under the ASX Listing Rules, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval over any 12-month period to 15% of the total of the number of shares the company had on issue at the start of the 12-month period (15% Placement Capacity).

## EXPLANATORY MEMORANDUM

### CONTINUED

ASX Listing Rule 7.4 allows for shareholders to subsequently approve an issue of, or agreement to issue, securities, provided the issue did not breach ASX Listing Rule 7.1 at the time of issue. If Shareholders do provide approval, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that Rule.

#### Issue of Warrants

At the time of issue, the issue of the Initial Warrants did not fall within any exception in ASX Listing Rule 7.2. As the issue has not yet been approved by Shareholders, the 8 Initial Warrants, and total of 1,204,970 Shares to be issued on exercise of such Initial Warrants, are using up a part of the Company's 15% Placement Capacity, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue of the Initial Warrants.

If Resolution 3 is passed, the 8 Initial Warrants, exercisable into a total of 1,204,970 Shares, will be excluded in calculating the Company's 15% Placement Capacity, effectively increasing the number of equity securities the Company can issue without obtaining Shareholder approval over the 12-month period following the issue date of the Initial Warrants. If Resolution 3 is not passed the 8 Initial Warrants, exercisable into a total of 1,204,970 Shares, will be included in calculating the Company's 15% Placement Capacity, effectively decreasing the number of equity securities it can issue without obtaining Shareholder approval over the 12-month period following the issue date of the Initial Warrants.

The Directors consider it prudent to retain the flexibility and capacity to issue additional securities in accordance with ASX Listing Rule 7.1 if circumstances require and, accordingly, seek Shareholders' ratification of the issue of the Initial Warrants as set out in Resolution 3.

#### Agreement to issue Completion Shares

At the time of issue, the issue of the Completion Shares to the Vendors did not fall within any exception in ASX Listing Rule 7.2. As the issue has not yet been approved by Shareholders, the Completion Shares are using up a part of the Company's 15% Placement Capacity, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue of the Completion Shares.

If Resolution 4 is passed, the 12,000,000 Completion Shares will be excluded in calculating the Company's 15% Placement Capacity, effectively increasing the number of equity securities the Company can issue without obtaining Shareholder approval over the 12-month period following the date of the agreement to issue the Completion Shares. If Resolution 4 is not passed, the 12,000,000 Completion Shares will be included in calculating the Company's 15% Placement Capacity, effectively decreasing the number of equity securities it can issue without obtaining Shareholder approval over the 12-month period following the date of the agreement to issue the Completion Shares.

The Directors consider it prudent to retain the flexibility and capacity to issue additional securities in accordance with ASX Listing Rule 7.1 if circumstances require and, accordingly, seek Shareholders' ratification of the issue of the 12,000,000 Completion Shares as set out in Resolution 4.

### 4.3 Summary of issue of Initial Warrants under Resolution 3

For the purpose of ASX Listing Rule 7.5, the following information is provided:

- (a) the Initial Warrants were issued to the PFG Nominees without disclosure under Chapter 6D of the Corporations Act. No related parties or their Associates were allotted Initial Warrants;
- (b) the number of Initial Warrants for which Shareholder ratification is being sought under Resolution 3 is 8 Initial Warrants, exercisable into a total of 1,204,970 Shares, issued under the Company's 15% Placement Capacity;
- (c) the material terms of the Initial Warrants are set out at Annexure A;
- (d) the Initial Warrants were issued on 1 July 2021;
- (e) the Initial Warrants were issued in consideration for the provision of the Facility by PFG. Accordingly, the Company did not receive any funds in consideration for the issue of the Initial Warrants (other than advances on draw downs made under the Facility);

## EXPLANATORY MEMORANDUM

CONTINUED

- (f) if the Initial Warrants are exercised in accordance with their terms, the Company will receive \$1,467,271.74 as a result of the issue of 1,204,970 Shares on exercise of the 8 Initial Warrants. The Company expects that it will apply these funds toward the Company's working capital;
- (g) the material terms of the agreement under which the Initial Warrants were issued are detailed in the announcement released by the Company to the ASX on 1 July 2021. The Company does not consider entry into the agreement with PFG to be material; and
- (h) a voting exclusion statement is included in this Notice.

### 4.4 Summary of agreement to issue the Completion Shares under Resolution 4

For the purpose of ASX Listing Rule 7.5, the following information is provided:

- (a) the Completion Shares were issued to the Vendors without disclosure under Chapter 6D of the Corporations Act. No related parties or their Associates were issued Completion Shares;
- (b) the number of Completion Shares for which Shareholder approval is being sought under Resolution 4 is 12,000,000 Completion Shares issued under the Company's 15% Placement Capacity;
- (c) the Completion Shares are Shares, rank pari passu with the other Shares on issue and are on the same terms as the other Shares on issue;
- (d) the Completion Shares were issued on 15 October 2021;
- (e) the Completion Shares were issued for nil cash consideration. The Completion Shares were issued at a deemed price of \$1.00 per Completion Share as part consideration for the acquisition of TIKS;
- (f) the material terms of the agreement to acquire TIKS under which the Completion Shares were issued are set out in the announcements released by the Company to the ASX on 30 September 2021 and 15 October 2021; and
- (g) a voting exclusion statement is included in this Notice.

### 4.5 Board Recommendation

The Board recommends that you vote in favour of Resolution 3 and Resolution 4. Each of the Directors currently intend to vote their respective shareholdings in favour of these Resolutions.

## 5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

### 5.1 General

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue equity securities (which term has the meaning given to it in the ASX Listing Rules) to up to 10% of its issued capital over a period up to 12 months after its annual general meeting (10% Placement Capacity). The 10% Placement Capacity is in addition to the capacity to issue securities under ASX Listing Rule 7.1 without shareholder approval.

If Shareholders approve this Resolution, the number of equity securities the Company may issue under its 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 5.3 below). This Resolution is a Special Resolution.

### 5.2 ASX Listing Rule 7.1A

The ASX Listing Rules provide that an entity that satisfies both of the following tests as at the date of the Meeting (Eligible Entity) may seek shareholder approval under ASX Listing Rule 7.1A:

- (a) the entity is not included in the S&P/ASX 300 Index; and
- (b) the entity's market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) is not greater than \$300,000,000.

As at 20 October 2021, the Company's market capitalisation is approximately \$187.88 million and accordingly, as at the date of this Notice, the Company is an Eligible Entity for these purposes.

## EXPLANATORY MEMORANDUM

### CONTINUED

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval. The number of equity securities the Company may issue under its 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 5.3 below).

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

### 5.3 Number of class of equity securities issued under 10% Placement Capacity

Any equity securities issued in reliance of ASX Listing Rule 7.1A must be:

- in the same class as an existing class of quoted equity securities. The Company currently has one class of equity securities on issue which are quoted, being Shares; and
- issued for cash consideration which is not less than 75% of the 15-day VWAP of equity securities in that class, as set out in further detail in section 5.4.2 of this Explanatory Memorandum.

ASX Listing Rule 7.1A.2 provides that an eligible entity which has obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of equity securities calculated in accordance with the following formula:

#### **(A × D) – E**

Where:

**A** is the number of shares on issue at the commencement of the Relevant Period:

- (1) plus the number of shares issued in the Relevant Period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (2) plus the number of shares issued in the Relevant Period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken to have been approved under ASX Listing Rules 7.1 or 7.4,
- (3) plus the number of shares issued in the Relevant Period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:
  - (i) the agreement was entered into before the commencement of the Relevant Period; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rules 7.1 or 7.4,
- (4) plus the number of any other shares issued in the Relevant Period with approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.4,
- (5) plus the number of partly paid shares that became fully paid in the Relevant Period; and
- (6) less the number of shares cancelled in the Relevant Period.

**D** is 10%.

**E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of shares under ASX Listing Rule 7.4.

## EXPLANATORY MEMORANDUM

CONTINUED

**Relevant Period** is:

- if the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

### 5.4 Information required by ASX Listing Rule 7.1A

ASX Listing Rule 7.3A requires the following information to be provided in relation to this Resolution:

#### 5.4.1 10% placement period

The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and ceasing to be valid on the first to occur of:

- (a) 12 months after the date of the Annual General Meeting;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking).

#### 5.4.2 Minimum Price

Any equity securities issued under the 10% Placement Capacity must be in an existing class of quoted equity securities and issued for cash consideration. The minimum price at which the equity securities may be issued under the 10% Placement Capacity is 75% of the VWAP of equity securities in that class, calculated over the 15 trading days on which trades in that class were recorded on the ASX immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

#### 5.4.3 Purpose of an issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised for either or both of working capital purposes or to fund growth opportunities.

#### 5.4.4 Risk of voting dilution

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive their pro rata interest in the Shares allotted under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, in the circumstances set out in the table below.

The table below shows the dilution of existing shareholders on the basis of the closing price of the Shares on the ASX on 20 October 2021 (**Closing Price**) and the number of Shares for variable A, calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the date of this notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) has increased by 50% and by 100% and the economic dilution where the issue price of Shares issued under the 10% Placement Capacity is 50% less than the Closing Price and 100% greater than the Closing Price.

## EXPLANATORY MEMORANDUM

CONTINUED

Variable A in ASX Listing Rule 7.1A.2		Dilution		
		\$0.473	\$0.945	\$1.890
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A = 198,813,130	10% voting dilution (Shares to be issued under 7.1A)	19,881,313	19,881,313	19,881,313
	Funds raised	\$9,393,920.39	\$18,787,840.79	\$37,575,681.57
50% increase in Current Variable A = 298,219,695	10% voting dilution (Shares to be issued under 7.1A)	29,821,970	29,821,970	29,821,970
	Funds raised	\$14,090,880.83	\$28,181,761.65	\$56,363,523.30
100% increase in Current Variable A = 397,626,260	10% voting dilution (Shares to be issued under 7.1A)	39,762,626	39,762,626	39,762,626
	Funds raised	\$18,787,840.79	\$37,575,681.57	\$75,151,363.14

The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under ASX Listing Rule 7.1.

The table above has been prepared on the basis of the following assumptions:

- the Issue Price set out in the table is the closing price of the Shares on the ASX on 20 October 2021;
- the Company issues the maximum possible number of equity securities under the 10% Placement Capacity;
- no options or rights convertible into Shares are exercised;
- the Company has not issued any equity securities in the 12 months prior to the date of the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or which were not approved under ASX Listing Rule 7.1 or 7.4; and
- the issue of equity securities under the 10% Placement Capacity consists only of Shares.

Shareholders should note that there is a risk that:

- the market price for the Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities issued under the 10% Placement Capacity may be issued at a price that is at a discount to the market price for the Shares on the date of issue,

both of which may affect the amount of funds raised by the issue.

Shareholders should also note that the calculations in the table do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

### 5.4.5 Allocation under the 10% Placement Capacity

The allottees of the equity securities to be issued under the 10% Placement Capacity will depend on prevailing market conditions and will be determined on a case-by-case basis. However, the allottees of equity securities could consist of current Shareholders, new investors or both, provided that such allottee is not a Related Party of the Company.

## EXPLANATORY MEMORANDUM

### CONTINUED

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue, including the Company's intentions to raise funds;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the number of issues the Company intends to make and the time frame over which they will be made;
- (d) the effect of the issue of the equity securities on the control of the Company;
- (e) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (f) prevailing market conditions; and
- (g) advice from corporate, financial and broking advisers (if applicable).

#### 5.4.6 Previous approval under ASX Listing Rule 7.1A

The Company did not previously obtain Shareholder approval under ASX Listing rule 7.1A at its last annual general meeting and, accordingly, has not issued any equity securities under ASX Listing Rule 7.1A.2.

#### 5.4.7 Voting exclusion statement

A voting exclusion statement is included in the Notice. As at the date of the Notice, Damstra has not approached any existing Shareholder, security holder or an identifiable class of existing security holders to participate in any issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

### 5.5 Board Recommendation

The Board recommends that you vote in favour of this Resolution.

## 6. RESOLUTION 6 TO RESOLUTION 9 – APPROVAL OF DIRECTOR PARTICIPATION IN EQUITY INCENTIVE PLAN AND ISSUE OF OPTIONS TO DIRECTORS

### 6.1 General

Subject to obtaining the relevant Shareholder approvals, the Company has agreed to issue the following Options under the EIP:

- (a) the following Options to Christian Damstra, Chief Executive Officer and Executive Director, (or his nominee) in respect of the outcome of Mr Damstra's deferred variable remuneration opportunity for the financial year ended 30 June 2021 (FY21):
  - (i) 48,612 Options with a zero exercise price (ZPOs) (being the subject of Resolution 6); and
  - (ii) 148,441 Options with a premium exercise price (PPOs) (being the subject of Resolution 8);
- (b) the following Options to Johannes Risseeuw, Chairman and Executive Director, (or his nominee) in respect of the outcome of Mr Risseeuw's deferred variable remuneration opportunity for FY21:
  - (iii) 62,023 ZPOs (being the subject of Resolution 7); and
  - (iv) 189,390 PPOs (being the subject of Resolution 9).

## EXPLANATORY MEMORANDUM

CONTINUED

### 6.2 Summary of Chapter 2E of the Corporations Act

Under section 208 of the Corporations Act, for a public company to give a financial benefit to a related party (such as a Director of the Company), the public company or entity must obtain the approval of the company's members unless the giving of the financial benefit falls within an exception set out in sections 210 and 216 of the Corporations Act.

Section 229 of the Corporations Act defines "financial benefit" broadly and includes, as an example of a "financial benefit", the issuing of securities or the granting of an option to a related party. Accordingly, the proposed issue of Options to Christian Damstra and Johannes Risseeuw under Resolution 6 to Resolution 9 constitutes the provision of a financial benefit to a related party.

In respect of each Resolution, the disinterested Directors consider that the proposed issue of the Options under each respective Resolution constitutes reasonable remuneration to the respective Director and, as such, falls within the exception set out in section 211 of the Corporations Act. In reaching this view, the disinterested Directors considered:

- (a) the position and responsibilities of each of Mr Damstra and Mr Risseeuw;
- (b) the Company's reliance on each Executive Director;
- (c) the time commitment and workload required of each Executive Director to drive the Company's strategies and objectives;
- (d) the considerable contribution that each of Mr Damstra and Mr Risseeuw, respectively, have made and continue to make to the growth of the Company's business;
- (e) the need for the Company to effectively incentivise the Company's Executive Directors while aligning the incentive with increasing shareholder value;
- (f) the desirability of preserving cash resources within the Company;
- (g) the composition and value of the remuneration packages of executive directors of other ASX-listed companies of similar size and circumstances to that of the Company; and
- (h) the terms of the Options in light of the Company's business objectives and the current Share price.

The Board believes that the Options are an effective remuneration and incentive tool which preserves the cash reserves of the Company whilst providing valuable remuneration and incentive to Mr Damstra and Mr Risseeuw.

Accordingly, Shareholders are being asked to approve the issue of the Options in accordance with ASX Listing Rule 10.14 only.

### 6.3 Summary of ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval to be obtained in respect of an issue of equity securities (which includes Options) under an employee incentive plan to a Director of the Company. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rules 7.1 or 10.11.

If Resolution 6 to Resolution 9 (inclusive) are approved, the grant of Options to Mr Damstra and Mr Risseeuw will not be included in calculating the Company's 15% Placement Capacity.

If Shareholders do not approve one or more of the resolutions to grant the Options, the proposed grants will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Damstra's or Mr Risseeuw's (as relevant) total remuneration package and alignment of rewards with other senior executives in the Company. The Board would then need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, including providing equivalent cash incentives.

## EXPLANATORY MEMORANDUM

CONTINUED

### 6.4 Technical information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided:

(a) Securities to be issued

The securities proposed to be issued are as follows:

- (i) to Christian Damstra, being a Director of the Company (for the purposes of ASX Listing Rule 10.14.1), or his nominee, which would be an Associate of Mr Damstra (for the purposes of ASX Listing Rule 10.14.2):
  - (1) 48,612 ZPOs (being the subject of Resolution 6);
  - (2) 148,441 PPOs (being the subject of Resolution 8); and
- (ii) to Johannes Risseeuw, being a Director of the Company (for the purposes of ASX Listing Rule 10.14.1), or his nominee, which would be an Associate of Mr Risseeuw (for the purposes of ASX Listing Rule 10.14.2):
  - (1) 62,023 ZPOs (being the subject of Resolution 7); and
  - (2) 189,390 PPOs (being the subject of Resolution 9).

(b) Current Remuneration Package

Mr Damstra's current remuneration package is as follows:

- (i) AU\$451,000 salary (inclusive of superannuation); and
- (ii) 150% of base salary as incentive as follows:
  - (1) 33% cash;
  - (2) 33.5% PPOs. The number of PPOs to be issued will be determined based on the fair market value as at the respective grant date and subject to obtaining Shareholder approval; and
  - (3) 33.5% ZPOs. The number of ZPOs to be issued will be determined based on the fair market value as at the respective grant date and subject to obtaining Shareholder approval.

Mr Risseeuw's current remuneration package is as follows:

- (iii) AU\$451,000 salary (inclusive of superannuation); and
- (iv) 150% of base salary as incentive as follows:
  - (1) 33% cash;
  - (2) 33.5% PPOs. The number of PPOs to be issued will be determined based on the fair market value as at the respective grant date and subject to obtaining Shareholder approval; and
  - (3) 33.5% ZPOs. The number of ZPOs to be issued will be determined based on the fair market value as at the respective grant date and subject to obtaining Shareholder approval.

(c) Previous grants under the EIP

Mr Damstra (or his nominee) has previously been issued the following securities under the EIP, each granted for nil (\$0) grant price:

- (i) 982,142 Options issued under the EIP exercisable at \$1.53 per Option and expiring on 16 October 2034, subject to vesting conditions;
- (ii) 200,000 Options issued under the EIP exercisable at \$0.00 per Option and expiring on 16 October 2034, subject to vesting conditions;
- (iii) 130,193 Options issued under the EIP exercisable at \$0.00 per Option and expiring on 30 September 2035, subject to vesting conditions;
- (iv) 395,068 Options issued under the EIP exercisable at \$3.25 per Option and expiring on 30 September 2026, subject to vesting conditions; and
- (v) 491,073 Options issued under the EIP exercisable at \$3.25 per Option and expiring on 30 September 2026, subject to vesting conditions.

## EXPLANATORY MEMORANDUM

### CONTINUED

Mr Risseeuw (or his nominee) has previously been issued the following securities under the EIP, each granted for nil (\$0) grant price:

- (i) 982,142 Options issued under the EIP exercisable at \$1.53 per Option and expiring on 16 October 2034, subject to vesting conditions;
- (ii) 200,000 Options issued under the EIP exercisable at \$0.00 per Option and expiring on 16 October 2034, subject to vesting conditions;
- (iii) 130,193 Options issued under the EIP exercisable at \$0.00 per Option and expiring on 30 September 2035, subject to vesting conditions;
- (iv) 395,068 Options issued under the EIP exercisable at \$3.25 per Option and expiring on 30 September 2026, subject to vesting conditions; and
- (v) 491,073 Options issued under the EIP exercisable at \$3.25 per Option and expiring on 30 September 2026, subject to vesting conditions.

#### (d) Summary of Option terms

The proposed issue of the Options pursuant to Resolution 6 to Resolution 9 are seen as a cost effective way of providing Mr Damstra and Mr Risseeuw tangible incentives to enhance the performance of the Company and to seek to further align Mr Damstra's and Mr Risseeuw's interests with those of Shareholders by linking their remuneration with the short and long term performance of the Company.

The Company attributes the following value to each Option:

- (i) \$1.71 per ZPO on the basis of the Binomial model as at 30 September 2020; and
- (ii) \$0.56 per PPO on the basis of the Binomial model as at 30 September 2020.

The material terms of the ZPOs (the subject of Resolution 6 and Resolution 7) are as follows:

- (i) nil (\$0) exercise price per ZPO;
- (ii) the ZPOs will be issued for nil consideration. Accordingly, no loan will be provided in respect of the issue or exercise of the ZPOs;
- (iii) the ZPOs will expire on 1 September 2036;
- (iv) each ZPO is exercisable into one Share;
  - (1) 25% of ZPOs will not be subject to vesting;
  - (2) subject to the relevant Director remaining continuously employed and no notice of resignation or termination has been given as at the relevant vesting date:
    - A. 25% of ZPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2022 are released to ASX (expected to be in or around August 2022);
    - B. 25% of ZPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2023 are released to ASX (expected to be in or around August 2023); and
    - C. 25% of ZPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2024 are released to ASX (expected to be in or around August 2024); and
- (v) other material terms of the ZPOs are set out in Annexure B to this Notice. As the ZPOs are to be issued under the EIP, the terms of the EIP will also apply to the ZPOs.

## EXPLANATORY MEMORANDUM

### CONTINUED

The material terms of the PPOs (the subject of Resolution 8 and Resolution 9) are as follows:

- (i) exercise price of \$1.71 per PPO, being 170% of the VWAP over the 5 trading days immediately prior to 1 September 2021;
  - (ii) the PPOs will be issued for nil consideration and no loan will be provided in respect of the PPOs. The relevant Director may exercise the PPOs by cash or by way of a cashless exercise under the terms of the EIP. If all PPOs are exercised by the relevant Executive Director paying the exercise price in cash to the Company, the Company will receive \$1.71 per PPO exercised, being a total of \$253,834 payable by Mr Damstra and \$323,857 by Mr Risseeuw;
  - (iii) the PPOs will expire on 1 September 2027;
  - (iv) each PPO is exercisable into one Share;
  - (v) the PPOs will vest as follows:
    - (1) 25% of PPOs will not be subject to vesting;
    - (2) subject to the relevant Director remaining continuously employed and no notice of resignation or termination has been given as at the relevant vesting date:
      - A. 25% of PPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2022 are released to ASX (expected to be in or around August 2022);
      - B. 25% of PPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2023 are released to ASX (expected to be in or around August 2023); and
      - C. 25% of PPOs will vest on the date the Company's full year audited financial results for the financial year ended 30 June 2024 are released to ASX (expected to be in or around August 2024); and
  - (vi) other material terms of the PPOs are set out in Annexure B to this Notice. As the PPOs are to be issued under the EIP, the terms of the EIP will also apply to the PPOs.
- (e) Timing of issue
- The Options will be issued as soon as reasonably practicable following the Meeting and, in any event, by no later than 3 years after the date of the Meeting.
- (f) EIP terms
- A summary of the terms of the EIP is set out in the Company's replacement prospectus dated 30 September 2019. A full copy of the EIP is available on the ASX platform or from the Company by contacting the Company Secretary on +61 3 9614 2444 or at [chodges@cdplus.com.au](mailto:chodges@cdplus.com.au).
- (g) Annual Reporting
- Details of any securities issued under the EIP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP after Resolution 6 to Resolution 14 are approved and who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14.
- (h) Voting exclusion statement
- A voting exclusion statement is included in the Notice for the purpose of Resolution 6 to Resolution 9.

## EXPLANATORY MEMORANDUM

CONTINUED

### 6.5 Board Recommendation

The Board (other than Christian Damstra) recommends that you vote in favour of Resolution 6 and Resolution 8. Mr Damstra has abstained from making a recommendation to Shareholders in respect of these Resolutions due to his material personal interest in the outcome of them.

The Board (other than Johannes Risseeuw) recommends that you vote in favour of Resolution 7 and Resolution 9. Mr Risseeuw has abstained from making a recommendation to Shareholders in respect of these Resolutions due to his material personal interest in the outcome of them.

## 7. RESOLUTION 10 – APPROVAL OF FINANCIAL ASSISTANCE

### 7.1 Background information

As set out above in section 4.1 of this Explanatory Memorandum, on 30 September 2021, the Company announced that it had entered into a share sale agreement to acquire 100% of the shares in TIKS.

The acquisition of TIKS by the Company (TIKS Acquisition) involves payment of a 'Completion Payment' of \$2.5 million to the Vendors. This amount will be paid from the Company's existing cash reserves. No further drawdowns or borrowings are required by the Company for this. Nevertheless, some of the funds drawn down by the Company on 1 July 2021 under the Facility Agreement with PFG (as set out above in section 4.1 of this Explanatory Memorandum) may still be held by the Company together with funds from the Company's own sources. The funds drawn under the Facility Agreement were drawn to repay other debt and for 'general working capital and growth purposes'. As explained in the Company's announcement, the TIKS Acquisition also involves a 'Deferred Payment' of \$3.5 million 12 months after completion as well as the issue of up to \$7 million worth of shares in the Company if certain performance targets are met. If the Company is unable to issue these shares to the Vendors, the Company must pay to the Vendors the relevant cash amount. It may be that some of the funds already drawn under the Facility Agreement are applied towards making these post-completion payments or it may be that new drawings are made under the Facility Agreement for the purposes of making these payments. Financial Assistance

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or
  - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Financial assistance is interpreted broadly and may include giving security over a company's assets and giving a guarantee and indemnity in respect of another person's liability.

Under section 260A(2) of the Corporations Act, the financial assistance may be given before or after the acquisition of shares.

For a company to financially assist a person to acquire shares in itself or a company of which it is a subsidiary, section 260B(1) of the Corporations Act states that the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company will be a subsidiary of a listed domestic corporation (Listed Australian Holding Company) immediately after the acquisition, then section 260B(2) requires that the financial assistance must also be approved by a special resolution passed at a general meeting of that Listed Australian Holding Company.

The purpose of this section 7 is to explain in further detail the proposed Resolution 10 set out in the Notice which must be passed by the Company's shareholders for the purposes of 260B(2) of the Corporations Act to enable the giving of the financial assistance by TIKS to the Company in connection with the TIKS Acquisition (as described below).

## EXPLANATORY MEMORANDUM

CONTINUED

### 7.2 Particulars of proposed financial assistance

On 1 July 2021, the Company entered into the Facility Agreement, under which (among other things), the Lender agreed to provide the \$20 million Facility under the Facility Agreement. As is the case with many similar funding arrangements of other companies, the Lender requires the Company's obligations under the Facility Agreement, and related finance documents, be guaranteed and secured by certain of the Company's wholly-owned subsidiaries, which will include TIKS after completion of the TIKS Acquisition.

Specifically, the Facility Agreement provides that, with respect to any subsidiary that has not granted an encumbrance to the Lender, the Company agrees and undertakes to the Lender that the subsidiary will accede as a 'Security Provider' and grant to PFG an encumbrance in the form and substance satisfactory to the Lender (Security) as well as a corporate guarantee (Guarantee).

The Lender has agreed to TIKS delaying entry into the Security and Guarantee on the basis that they would do so once the necessary approvals for the Financial Assistance had been obtained.

The granting of the Security and Guarantee in the manner described above, and the fulfillment of any other obligations of TIKS as a Security Provider under the Facility Agreement, may constitute the provision of financial assistance for the purposes of the Corporations Act, because TIKS will be granting security over its own assets, and guaranteeing the Company's obligations under the Facility Agreement, in connection with the financial accommodation provided by the Lender which may be used to partially fund the Company's acquisition of the shares in TIKS (Financial Assistance).

The Company is the listed holding company of TIKS, and therefore is required to obtain approval from its Shareholders for the Financial Assistance under section 260B(2) in order for the Financial Assistance to be given.

Once the TIKS Acquisition has been completed, the Company (as the sole shareholder of TIKS) will pass the required approval resolution for the purposes of section 260B(1) subject to complying with the applicable procedures in the Corporations Act.

### 7.3 Reasons for the Financial Assistance

The Financial Assistance is proposed because:

- (a) it is a requirement under the Facility Agreement that, following the TIKS Acquisition, the Company procure that TIKS accedes as a Security Provider under the Facility Agreement and provide the Security and Guarantee. By acceding to the Facility Agreement and providing the Security and Guarantee, TIKS may be assisting the Company to comply with its obligations under the Facility Agreement and this may in turn be assisting the Company to acquire shares in TIKS;
- (b) if TIKS does not give the Financial Assistance, the Company will be in breach of the Facility Agreement, which would (among other rights) give the Lender the right to call for all or any part of the Facility loaned to the Company under the Facility Agreement (plus accrued interest) to be immediately due and payable. In this event, the Company's existing cash reserves would be significantly adversely impacted, and it may be necessary for the Company to refinance or renegotiate the facilities under the Facility Agreement, which would likely result in more restrictive and expensive terms, which may affect the Company's operations; and
- (c) the Facility Agreement requires the Company to obtain PFG's consent to acquire TIKS. As a condition to granting that consent, PFG requires TIKS to give the Financial Assistance. PFG also requires the Financial Assistance to be approved by shareholders for the purposes of section 260B.

### 7.4 Effect of the proposed Financial Assistance

The effect of the Financial Assistance will be that:

- (a) TIKS will be guarantor of the Company's obligations under the Facility Agreement and may be required to perform the obligations of the Company in the event of certain defaults by the Company or another guarantor;
- (b) TIKS will provide the Security and the Lender may be entitled to enforce the Security in the event that the Company or another guarantor fails to perform its obligations under the Facility Agreement; and
- (c) TIKS will be required to perform and comply with its obligations under the Facility Agreement and related finance documents to the extent that those documents impose obligations on TIKS.

The directors of TIKS and the Directors of the Company do not believe that the giving of the Financial Assistance will have the effect of materially prejudicing the interests of creditors or the shareholders of TIKS.

## EXPLANATORY MEMORANDUM

CONTINUED

### 7.5 Advantages of the proposed Financial Assistance

If TIKS provides the Financial Assistance by granting the Security, this will allow the Company to satisfy its obligations to the Lender and avoid a potential event of default under the Facility Agreement, and will enable the Company to continue to pursue the growth objectives of the Company and its subsidiaries (including TIKS). Approving the Financial Assistance will also satisfy the Lender's consent condition (see above) and hence enable the Company to complete the TIKS Acquisition without there being a potential event of default under the Facility Agreement.

### 7.6 Disadvantages of the proposed Financial Assistance to the Company

As the Company is already liable for the amounts due under the Facility Agreement, the Directors of the Company do not believe there are any disadvantages to the Company for the Financial Assistance to be provided.

### 7.7 Disadvantages of the proposed Financial Assistance to TIKS

If the Financial Assistance is given, then TIKS may be liable to repay all moneys payable under the Facility Agreement.

This may have an adverse effect on the financial position of TIKS if it becomes liable for the debts and obligations of the Company and other guarantors under the Facility Agreement. If the Company were to default under the Facility Agreement, the Lender may make a demand under the Security requiring TIKS to repay amounts due under the Facility Agreement, which will have an adverse impact on the business of TIKS and may result in a winding up of TIKS.

The operations of TIKS, including its ability to borrow money in the future from other financiers may also be restricted by the Security.

The Directors have no reason to believe that there are any prevailing circumstances making a claim under the Security probable or likely. In any event, the Directors believe that any potential disadvantages for TIKS of the Financial Assistance are outweighed by the advantages to the Company (and, by extension, TIKS) in accessing and complying the terms of the Facility Agreement.

### 7.8 Other information

- (a) The Directors consider that the consequences of not providing the Financial Assistance (as outlined in section 7.4(b) of this Explanatory Memorandum) will have far greater adverse impact on Shareholders than any potential consequences of providing the Financial Assistance (as outlined in sections 7.7 and 7.8).
- (b) The Directors consider that this section 7 of this Explanatory Memorandum contains all material information known to the Company that could reasonably be required by the Shareholders in deciding how to vote on the proposed resolution.
- (c) Resolution 10 requires a Special Resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

### 7.9 Board Recommendation

The Board recommends that you vote in favour of Resolution 10. Each of the Directors currently intend to vote their respective shareholdings in favour of this Resolution.

# GLOSSARY

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning ascribed to it in section 5.1 of the Explanatory Memorandum.

**15% Placement Capacity** has the meaning ascribed to it in section 4.2 of the Explanatory Memorandum.

**AEDT** means Australian Eastern Daylight Time as observed in Melbourne, Victoria, Australia.

**Affiliate** has the meaning ascribed to Nominated Affiliate in Annexure B.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annual Report** means the annual financial report of the Company for the year ended 30 June 2021.

**Associate** has the meaning given to it in ASX Listing Rule 19.12.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Auditor's Report** means the auditor's report contained in the Annual Report.

**Board** means the current board of Directors of the Company.

**Chair** means the chairperson of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** or **Damstra** means Damstra Holdings Limited ACN 610 571 607.

**Completion Shares** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Closing Price** has the meaning ascribed to it in section 5.4.4 of the Explanatory Memorandum.

**Director's Report** means the director's report contained in the Annual Report.

**Directors** means the current directors of the Company.

**EIP** means the Company's Equity Incentive Plan.

**EIP Rules** means the rules governing the EIP.

**Escrow** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Expiry Date** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Facility** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Facility Agreement** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Final Warrants** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Financial Assistance** has the meaning ascribed to it in section 7.3 of the Explanatory Memorandum.

## GLOSSARY

CONTINUED

**HB Technology** means HB Technology Pty Ltd ACN 616 768 702.

**Initial Warrants** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Lender** has the meaning ascribed to it in section 7.1 of the Explanatory Memorandum.

**Notice** or **Notice of Annual General Meeting** means this notice of Annual General Meeting, including the Explanatory Memorandum and the Voting Form.

**Option** means an option to subscribe for a Share in the capital of the Company.

**PFG** means Partners for Growth VI, L.P.

**PFG Nominees** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**PFG Warrants** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**PPOs** has the meaning ascribed to it in section 6.1 of the Explanatory Memorandum.

**Related Party** has the meaning given to it in ASX Listing Rule 19.12.

**Remuneration Report** means the remuneration report set out in the Directors' Report contained in the Company's Annual Report.

**Resolution** means a resolution set out in the Notice of General Meeting.

**Restricted KMP Voter** is one of the following persons who or on whose behalf a vote on a Resolution must not be cast (in any capacity):

- (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.

**S&A Marciano** means S&A Marciano Pty Ltd ACN 600 604 484.

**Security** has the meaning ascribed to it in section 7.3 of the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means the share registry of the Company, being Computershare Investor Services Pty Limited.

**Shareholder** means a holder of a Share.

**Special Resolution** means that at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) must be in favour of a Resolution for it to be passed.

**Spill Meeting** has the meaning ascribed to it in section 2.2 of the Explanatory Memorandum.

**Spill Resolution** has the meaning ascribed to it in section 2.2 of the Explanatory Memorandum.

**TIKS** means TIKS Solutions Pty Ltd ACN 150 418 983.

**TIKS Acquisition** has the meaning ascribed to it in section 7.1 of the Explanatory Memorandum.

**Vendors** has the meaning ascribed to it in section 4.1 of the Explanatory Memorandum.

**Voting Form** means the voting form accompanying the Notice.

**VWAP** means volume weighted average price.

**Warrants** mean unlisted warrants exercisable into Shares.

**ZPOs** has the meaning ascribed to it in section 6.1 of the Explanatory Memorandum.

# ANNEXURE A – TERMS OF INITIAL WARRANTS THE SUBJECT OF RESOLUTION 3

Damstra has agreed to issue the following Warrants to the PFG Nominees on the following key terms:

- Damstra has issued four Initial Warrants to each of the PFG Nominees (eight Initial Warrants in total) as follows:
  - 1 Warrant exercisable into 104,404 Shares on or before the Expiry Date, at an exercise price of \$1.05 per Share;
  - 1 Warrant exercisable into 96,373 Shares on or before the Expiry Date, at an exercise price of \$1.14 per Share;
  - 1 Warrant exercisable into 178,979 Shares on or before the Expiry Date, at an exercise price of \$1.23 per Share; and
  - 1 Warrant exercisable into 222,729 Shares on or before the Expiry Date, at an exercise price of \$1.32 per Share.
- Subject to the Company drawing down the second tranche of the Facility and more than 50% of the Company's shares being acquired or the sale of substantially all of the Company's assets, the acquirer or surviving entity (as applicable) shall, as condition to the acquisition and at the Company's option, either: (i) assume the obligations of the Company under the Warrant or (ii) purchase the Warrant at its fair value, which shall be determined using a Black-Scholes Option-Pricing Model.
- Each Warrant is exercisable in whole or in part.
- If the fair market value of Shares exceeds the relevant exercise price, the holder may surrender a Warrant for that number of Shares obtained by dividing (x) the intrinsic value of the Warrant (i.e. the Fair Market Value of the Shares on the date of the surrender less the exercise price), by (y) the Fair Market Value (defined as the highest fair market value per share in the 90 days prior to the surrender of the Warrant) (**Cashless Exercise**).
- If the Fair Market Value is greater than the relevant exercise price at the Expiry Date, each Warrant shall be Cashless Exercised for Shares immediately before it expires.
- The Initial Warrants have been issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- The Warrants (in whole or in part) may be transferable with the Company's prior consent in certain circumstances but they will not be quoted.
- In the event of a reorganisation of the Company's issued capital, the number of shares into which a Warrant may be exercised, and the exercise price relating to each Warrant, will be adjusted in accordance with the requirements of the ASX Listing Rules.
- The Warrants do not entitle the holder to participate in new issues of securities unless and to the extent that the Warrant is exercised prior to the record date relating to the new issue of securities. In the event that the Company undertakes a pro rata issue of securities (other than a bonus issue), the exercise price of each Warrant will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- If the Company makes a pro rata "bonus issue", the number of Warrant Shares into which each Warrant then outstanding shall be increased by the number of bonus ordinary shares or other securities which the holder would have received if the holder had exercised the Warrant before the record date for the bonus issue.

# ANNEXURE B – TERMS OF OPTIONS THE SUBJECT OF RESOLUTION 6 TO RESOLUTION 9

## Eligible Person

The holder may, subject to the terms of the EIP Rules, submit an application to nominate a holder of the Options (**Nominated Affiliate**). The Nominated Affiliate must be one of the following:

- (a) an immediate family member; or
- (b) a company whose members comprise no persons other than the holder or their immediate family members.

## Nature of Awards

Each Option constitutes a right to receive one (1) Share in the capital of the Company, subject to the terms and conditions of the EIP Rules.

## Quotation

Options will not be quoted on the ASX or any other recognised exchange however any resulting Shares will be quoted on the ASX at, or promptly after, the date the holder receives those Shares.

## Vesting Conditions

The Options are subject to vesting conditions. If the vesting conditions are satisfied and/or otherwise waived by the Board then, in accordance with the EIP Rules, a vesting notice will be sent to the holder by the Company. Unless and until the vesting notice is issued by the Company, the Options will not be considered to have vested.

## Exercise of Options

Following the date of the issue of a confirmation notice in respect of an Option, the holder may exercise that Option by:

- (a) delivering an exercise notice to (or as directed by) the Company; and
- (b) paying the exercise price (if any) to (or as directed by) the Company, at any time that:
  - (i) is between the date of the issue (or deemed issue) of the confirmation notice and the relevant expiry date; and
  - (ii) the holder is permitted to exercise the Options under the Company's Securities Trading Policy.
- (c) If an Option is not exercised by its expiry date, that Option will automatically lapse and be forfeited.

## Settlement Mechanism

### ZPOs

Upon exercise of a ZPO, the Board will determine whether the ZPO will be Equity Settled and/or Cash Settled (as defined in the EIP Rules).

If a ZPO is to be Equity Settled, the Company will arrange for the holder to receive the requisite number of Shares. The Company may do this by issuing, allocating and/or causing to be transferred to the holder the number of Shares to which the holder is entitled.

If a ZPO is to be Cash Settled, the holder will receive a cash payment equal to the VWAP on the ASX for the 5 trading days prior to the day on which the ZPO is validly exercised, or as otherwise determined by the Board (acting reasonably). An amount may be deducted by the Company from the cash payment on account of any applicable tax the Company is required to withhold or any superannuation amount the Company is required to pay in connection with the payment of the cash amount.

### PPOs

PPOs will only be Equity Settled.

After the valid exercise of that PPO, the Company will issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled.

## ANNEXURE B – TERMS OF OPTIONS THE SUBJECT OF RESOLUTION 6 TO RESOLUTION 9

CONTINUED

### Disposal restrictions

The Options may not be disposed of, or otherwise dealt with, unless the disposal is approved by the Board in its absolute discretion or is effected by force of law on death or legal incapacity to the holder's personal representative.

Except as set out in the Company's Securities Trading Policy and applicable laws, no specific disposal restrictions apply to any resulting Shares that the holder receives as a result of the exercise of the Options.

### Change of Control Event

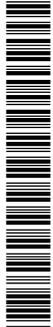
Notwithstanding the terms of the EIP Rules, if the Board resolves for the purpose of the EIP that a change of control event will occur, or a change of control event has actually occurred, the Board will waive the vesting conditions applicable to the unvested Options and a vesting notice will be sent to the holder by the Company unless it determines otherwise that an alternative treatment will apply to those unvested Options.



D A M S T R A

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Damstra Holdings Limited  
ACN 610 571 607



DTC

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



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**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **10.30 am (AEDT) on Wednesday, 24 November 2021.**

# Voting Form

## How to Vote on Items of Business

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

### VOTE DIRECTLY

**Voting 100% of your holding:** Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the 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.

### 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/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://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.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**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.



I 9999999999

I ND

# Voting Form

Please mark  to indicate your directions

## Step 1 Indicate How Your Vote Will Be Cast *Select one option only*

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At the Annual General Meeting of Damstra Holdings Limited to be held as a virtual meeting on Friday, 26 November 2021 at 10.30 am (AEDT) and at any adjournment or postponement of that meeting, I/We being member/s of Damstra Holdings Limited direct the following:

A **Vote Directly**  Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B **Appoint a proxy to vote on your behalf** I/We 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).

**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 1, 6, 7, 8, 9** (except where I/we have indicated a different voting intention in step 2) even though **Items 1, 6, 7, 8, 9** 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 1, 6, 7, 8, 9** by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you have appointed a proxy and you mark the **Abstain** box for an item, 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. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<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

