



ACN 086 435 136

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held on
Wednesday, 25 November 2020 at 01:00pm (AEDT).**

The Annual General Meeting will be held virtually.

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (02) 8002 1991.**

**Shareholders are urged to attend the Meeting virtually, or vote by lodging the proxy
form attached to the Notice**

Digital Wine Ventures Limited
ACN 086 435 136
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Digital Wine Ventures Limited will be held on **Wednesday, 25 November 2020** at 01:00pm (AEDT) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Meeting will be held virtually. For instructions on how to participate in the Meeting, refer to page 10.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 – Re-election of Director – James Walker

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

'That James Walker, who retires in accordance with clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 - Ratification of issue of SPP Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 SPP Shares on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 - Ratification of issue of Tranche 1 Placement Shares

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares:

- (a) *84,980,122 Tranche 1 Placement Shares under Listing Rule 7.1; and*
- (b) *115,019,878 Tranche 1 Placement Shares under Listing Rule 7.1A,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 - Approval to issue Tranche 2 Placement Shares

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

'That, pursuant to and in accordance Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Tranche 2 Placement Shares to Directors as follows:

- (a) *up to 3,625,000 Tranche 2 Placement Shares to Paul Evans;*
- (b) *up to 1,375,000 Tranche 2 Placement Shares to Dean Taylor; and*
- (c) *up to 1,000,000 Tranche 2 Placement Shares to James Walker,*

or their respective nominees, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 - Ratification of issue of 2020 Lead Manager Options

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Options to Blue Ocean Equities (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 - Ratification of issue of 2019 Lead Manager Securities

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,875,796 Shares and 875,088 Options to Peak Asset Management (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 - Approval of issue of Incentive Options

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

'That, pursuant to and in accordance Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Incentive Options to Directors under the Plan as follows:

- (a) *up to 6,000,000 Incentive Options to Paul Evans;*
- (b) *up to 12,000,000 Incentive Options to Dean Taylor; and*
- (c) *up to 6,000,000 Incentive Options to James Walker,*

or their respective nominees, on the terms and conditions in the Explanatory Memorandum.'

Resolution 10 – Replacement of Constitution

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

'That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form of the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the close of the Meeting.'

Resolution 11 – Approval of issue of Consideration Shares

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

'That, pursuant to and in accordance with Listing Rule 7.1, Shareholders approve the issue of 40,660,807 Consideration Shares to the WDA Vendors or their respective nominees, on the terms and conditions in the Explanatory Memorandum.'

Resolution 12 – Approval of issue of Performance Rights

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

'That, pursuant to and in accordance with Listing Rule 7.1, Shareholders approve the issue of 25,000,000 Performance Rights to James Munn or his nominees, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (b) Resolution 5(a) and (b) by or on behalf of any person who participated in the issue of the Tranche 1 Placement Shares, or any of their respective associates;
- (c) Resolution 6(a), (c) and (b) by or on behalf of Dean Taylor, Paul Evans and James Walker (or their respective nominees) and any other person who will obtain a material benefit as a result of the issue of the Tranche 2 Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 7 by or on behalf of Blue Ocean Equities (or its nominees), or any of their respective associates;
- (e) Resolution 8 by or on behalf of Peak Asset Management (or its nominees), or any of their respective associates;
- (f) Resolution 9(a), (b) and (c) by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (g) Resolution 11 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (h) Resolution 12 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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 the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the 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, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 9: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on the Resolutions comprising Resolution 9 must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

The above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'PE', with a long horizontal stroke extending to the right.

Paul Evans
Non-Executive Chairman
Digital Wine Ventures Limited
Dated: 20 October 2020

Digital Wine Ventures Limited
ACN 086 435 136
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held on **Wednesday, 25 November 2020** at 01:00pm (AEDT).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – James Walker
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 - Ratification of issue of SPP Shares
Section 8	Resolution 5(a) and (b) - Ratification of issue of Tranche 1 Placement Shares
Section 9	Resolution 6(a),(b) and (c) - Approval to issue Tranche 2 Placement Shares
Section 10	Resolution 7- Ratification of issue of 2020 Lead Manager Options
Section 11	Resolution 8 - Ratification of issue of 2019 Lead Manager Securities
Section 12	Resolution 9(a), (b) and (c) - Approval of issue of Incentive Options
Section 13	Resolution 10 – Replacement of Constitution
Section 14	Resolution 11– Approval of issue of Consideration Shares
Section 15	Resolution 12– Approval of issue of Performance Rights
Schedule 1	Definitions

Schedule 2	Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A
Schedule 3	Terms and conditions of Lead Manager Options
Schedule 4	Terms and conditions of Incentive Options
Schedule 5	Valuation of Incentive Options
Schedule 6	Terms and conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. **Action to be taken by Shareholders**

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 **Eligibility for voting at the Meeting**

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting), Shareholders are those persons who are the holders of Shares at 05:00pm (Sydney time) Monday, 23 November 2020.

2.1 **Voting in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company has determined that it will hold the Meeting virtually. For instructions on how to participate in the Meeting, refer to Section 2.3 below.

2.2 **Proxies**

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online:	At www.advancedshare.com.au/investor-login
By mail:	Share Registry – Advanced Share Registry Services 110 Stirling Hwy, Nedlands WA 6009, or PO Box 1156, Nedlands WA 6909
By fax:	+61 8 6370 4203 (within Australia)

By Email:

admin@advancedshare.com.au

2.3 Participation in the virtual Meeting

To participate in the Meeting online and watch the webcast, shareholders will need to log into the following URL: www.advancedshare.com.au/virtual-meeting

How to join the Meeting									
Step 1	<p>Enter the “Meeting ID” and your personalised “Shareholder ID” in the fields indicated. You will find this information in a box towards the top right hand corner of your personalised Proxy Form – a sample of this box has been replicated below, with the relevant fields highlighted:</p> <table><tr><td>Sub-Register</td><td>ISSUER</td></tr><tr><td>HIN/SRN</td><td>lxxxxxxxxx</td></tr><tr><td>Meeting ID</td><td>DW8xxxx</td></tr><tr><td>Shareholder ID</td><td>XXXXXXXXXX</td></tr></table> <p>If you hold Shares under multiple SRNs/HINs and wish to vote by poll online for each holding, you will need to contact the Share Registry with details of each relevant holding (SRN/HIN, name and address of holder). The Share Registry must already have on file an email address for at least one of the nominated holdings – once you have satisfied their identification requirements, they will email you a new Shareholder ID that can be used in the above process.</p> <p>If you do not follow the above process and want to participate in the poll on behalf of each holding, you will need to log in separately for each holding, using the unique Shareholder ID allocated to each holding.</p>	Sub-Register	ISSUER	HIN/SRN	lxxxxxxxxx	Meeting ID	DW8xxxx	Shareholder ID	XXXXXXXXXX
Sub-Register	ISSUER								
HIN/SRN	lxxxxxxxxx								
Meeting ID	DW8xxxx								
Shareholder ID	XXXXXXXXXX								
Step 2	<p>Once you have read the Terms and Conditions, tick the “I agree to the Terms and Conditions” box, and Select the “Login” button.</p> <p>If you are unsuccessful with your login attempt, please try again ensuring you have entered the Meeting ID (three letters and four numbers) and Shareholder ID (ten numbers) exactly as shown on your Proxy Form.</p> <p>Once you have successfully logged in you will see a summary of the Meeting details, titled “Virtual Meeting Information”. Towards the middle of this summary will be a “Meeting Status” field, which will indicate whether the Meeting has started or not. Prior to the Meeting commencing, this should be designated “Pre Meeting”. This portal provides Shareholders with access to view the Meeting, submit questions in writing, and vote via poll. A copy of the Notice of Meeting can be found in the bottom left hand corner of this browser page.</p> <p>While the Meeting is in “Pre Meeting” status you will only be able to submit questions, and will not be able to join the Meeting or cast votes via poll. The Board strongly encourages shareholders to submit questions prior to the Meeting to provide the maximum possible time for the Board and/or Auditor to consider and respond.</p> <p>The Company intends to:</p>								

	<ul style="list-style-type: none"> • open the Question and Answer facility on the date this Notice of Meeting is issued; • close the facility at 05:00pm (Sydney time) Monday, 23 November 2020, in line with the cut-off for submission of proxy votes; and • re-open the facility approximately one (1) hour before the Meeting is scheduled to commence. <p>Once the Meeting Status has changed to “Active” Shareholders will be able join the Meeting by following the steps below.</p>	
Step 3	<p>Select the “Join Now” button. The browser page should change display, showing a summary of the meeting details at the top of the page, video streaming of the DW8 Board members in the body of the screen, and “Q&A” and “Poll” Action buttons at the bottom of the screen. Shareholders will then be able to watch a live webcast of the Meeting.</p>	
Step 4	<p>Shareholders will continue to be able to submit questions during the Meeting:</p>	
	Step 4.1	Select the “Q&A” button at the bottom of the screen. This will open up a new browser.
	Step 4.2	Complete all the fields as prompted.
	Step 4.3	Select the “Submit” button at the bottom of the screen. You will be prompted to confirm your submission, after which you will be provided with confirmation the question has been submitted.
	Step 4.4	Select the “OK” button. The screen will then display a summary of any questions you have submitted (bottom half of screen), as well as a summary of questions raised by other shareholders for which the Company has provided public responses.
	Step 4.5	If you wish to ask another question, select the “Ask more” button. Repeat Steps 4.2 to 4.4 above, after which your browser page will be updated with your new question.
	Step 4.6	To return to the Meeting broadcast, close that browser page by selecting the cross in the tab at the top of the page and return to the original browser page, which should have remained open on your device.
	<p>You will not be able to vote prior to the Chair opening the Poll – an error message will appear if attempted. It is currently the intention of the Chair to enable voting by Poll only once all agenda items and resolutions have been tabled and discussed. However, we encourage Shareholders to submit their proxy forms and questions ahead of the Meeting. Instructions on how to vote online are detailed in the following section of the Notice.</p> <p>If you are experiencing technical difficulties, please contact Advance Share Registry on the number below for assistance:</p> <p>Advanced Share Registry</p> <p>(Assistance for Virtual Meeting): +61 (0)8 6500 2114</p>	

Voting by poll online		
<p>If you have already submitted proxy votes for this Meeting, you do not need to participate in the poll voting process – your proxy votes will remain valid and will be counted towards the results of the poll vote. If you do participate in the online poll voting process, the poll votes you submit will override any proxy votes you have previously submitted for that particular Shareholding.</p> <p>Once the Chair has opened the poll, a representative of the Share Registry will provide step-by-step verbal guidance on how to vote. Instructions have also been provided below:</p>		
Step 1	Select the “Poll” button at the bottom of the page to commence voting. You will be directed automatically to a new browser window, where you will be prompted to follow each step in the Poll voting process.	
Step 2	Tick the “ I have read and agreed to the declarations ” box and select the “ Continue ” button at the bottom right of the page.	
Step 3	<p>In the Allocation section:</p> <ul style="list-style-type: none"> if you wish to split your votes between “For”, “Against” and “Abstain”, select the option “I/we would like to split my/our votes on some or all resolutions” and then select the “Continue” button. Go to step 4.1. if you do not wish to split your votes, select the option “I/we would like to cast all of my/our votes on each resolution” and then select the “Continue” button. Go to step 5.1. 	
Step 4	Step 4.1	<p>You will be directed to enter the NUMBER of votes (not the percentage of votes) for each selection for each resolution in the split voting section. Once you have allocated your votes for each resolution, select the “Continue” button.</p> <p>If the number of votes you have nominated in any resolution do not add up to your total holding, you will receive a prompt saying “all of directions do not add up to your total holdings”, and you will be required to amend the number of votes and press “Continue” again.</p>
	Step 4.2	<p>Once you have correctly selected your voting options you will be provided with a “Split Proxy Voting Selection Review” screen that summarises your voting instructions.</p> <p>Please review your voting instructions carefully button. Once you press the “Submit” button at the bottom right of this screen your votes will be formally submitted, and they will over-rule any proxy votes that have previously been submitted for that shareholding.</p> <p>If you wish to change your selection, press the grey “back” button, then re-perform Steps 4.1 & 4.2 If you are happy with your selection, proceed to Step 6.</p>
Step 5	Step 5.1	You will be required to select your voting Direction for each resolution. Once you have given Direction on each resolution, select the “ Continue ” button.

	<p>Step 5.2</p> <p>You will be provided with a “Proxy Selection Review” screen that summarises your voting instructions.</p> <p>Please review your voting instructions carefully button. Once you press the “Submit” button at the bottom right of this screen your votes will be formally submitted, and they will over-rule any proxy votes that have previously been submitted for that shareholding.</p> <p>If you wish to change your selection, press the grey “back” button, then re-perform Steps 5.1 & 5.2 If you are happy with your selection, proceed to Step 6.</p>
Step 6	<p>Once you are satisfied with your voting instructions, select the “Submit” button. You will receive a confirmation that your Poll instructions have been lodged successfully.</p>
Step 7	<p>To return to the virtual meeting, select the “Virtual Meeting” button – the current browser page will close and you will be able to return to the original browser page (which should still be open on your device) to continue watching the live webcast.</p> <p>Again, if you are experiencing any technical difficulties while voting, please contact Advance Share Registry for assistance (on the phone number listed above).</p>

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1 and Resolution 9 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

If the Chair is a person referred to in the section 214 Corporations Act voting prohibition statement applicable to Resolution 9, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.digitalwine.ventures;
- (b) ask questions about, or comment on, the management of the Company; and

- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **Resolution 1 – Remuneration Report**

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director – James Walker

5.1 General

Clause 14.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, rounded up). The Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

A Director who retires under clause 14.2 is eligible for re-election.

Non-Executive Chairman, Paul Evans, and Non-Executive Director, James Walker, were both last elected at the annual general meeting held on 29 November 2019.

It has been agreed between Mr Evans and Mr Walker that Mr Walker will retire at this Meeting.

Accordingly, Mr Walker retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

The Board considers Mr Walker to be an independent Director.

5.2 James Walker

James Walker was first appointed to the Board on 30 September 2019.

Mr Walkers qualifications are: B.Com(UNSW), FCA., GAICD.

Current Directorships are Bluglass Limited.

James is an experienced leader in scaling high growth companies and commercialising technology in new markets, with roles as a Non-Executive Director and Chief Executive of ASX-listed companies or Chief Financial Officer at a UK, AIM-listed technology company as well as executive roles in other growth companies.

He is currently a non-executive director with BluGlass (ASX:BLG) and non-executive chairman of Native Mineral Resources (proposed ASX code: NMR). He is also a former Non-Executive Chair of thedocyard Limited (ASX: TDY).

James has over 25 years' experience as a Chartered Accountant and company secretary of various high growth public and private companies. In recent years, James has successfully completed the ASX-IPO of thedocyard (ASX: TDY) and DroneShield (ASX: DRO). Before that, he was the CFO of Seeing Machines Ltd (AIM: SEE), a UK AIM-listed company.

James thrives on commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including mining technology services, deal tech, sensor systems, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors. Through his roles Mr. Walker has completed multiple M&A transactions, IPO listings, follow-on Share placements and other capital raisings for private companies as well as ASX and London (AIM) listed companies.

5.3 **Additional information**

Resolution 2 is an ordinary resolution.

The Board (other than Mr Walker) recommends that Shareholders vote in favour of Resolution 2 because his experience and qualifications will assist the Company in achieving its strategic objectives in the short and medium term.

If Resolution 2 is passed, Mr Walker will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Walker will not be appointed as a Non-Executive Director of the Company and the Company will be required to appoint a new Director in order to have a Board comprised of at least three Directors as required by section 201A(2) of the Corporations Act.

6. **Resolution 3 – Approval of 10% Placement Facility**

6.1 **General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 **Listing Rule 7.1A**

(a) **Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$86.3 million, based on the closing price of Shares (\$0.058) on 16 October 2020.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue two quoted classes of Equity Securities; Shares and Options (with an exercise price of \$0.015 each and an expiry date of 31 December 2022).

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue at the commencement of the relevant period:

- (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the relevant period;
- (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the relevant period.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) At what price can the Equity Securities be issued?

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 3?

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company's core asset is WINEDEPOT, a cloud-based technology platform that has been designed to connect wine industry stakeholders to reduce the time, margin and capital wasted in the existing supply chain. Catering for producers, distributors, importers and retailers of all sizes, the vertically integrated trading, order management and logistics platform provides an end-to-end supply chain solution capable of servicing a wide variety of sales channels including the rapidly growing direct-to-consumer and online market segments. The platform consists of three key components, a smart logistics solution, order management system, and Direct to-Trade Marketplace (to be launched March 2021).

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in

accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.029 50% decrease in Current Market Price	\$0.058 Current Market Price	\$0.116 100% increase in Current Market Price
1,487,194,813 Shares Variable A	10% Voting Dilution	148,719,481 Shares	148,719,481 Shares	148,719,481 Shares
	Funds raised	\$4,312,865	\$8,625,730	\$17,251,460
2,230,792,220 Shares 50% increase in Variable A	10% Voting Dilution	223,079,222 Shares	223,079,222 Shares	223,079,222 Shares
	Funds raised	\$6,469,297	\$12,938,595	\$25,877,190
2,974,389,626 Shares 100% increase in Variable A	10% Voting Dilution	297,438,963 Shares	297,438,963 Shares	297,438,963 Shares
	Funds raised	\$8,625,730	\$17,251,460	\$34,502,920

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price (\$0.058), being the closing price of the Shares on ASX on 16 October 2020, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - (b) Variable A comprises of 1,487,194,813 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4 (assuming Resolution 4, Resolution 5(a) and (b) and Resolution 8 are passed and the issue of a total of 247,875,796 Shares is ratified at the Meeting);
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it

is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 November 2019.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue 115,019,878 Equity Securities under Listing Rule 7.1A. This represents 11.26% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities under Listing Rule 7.1A by the Company during the 12 months preceding the date of the Meeting are in Schedule 2.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

6.4 **Additional information**

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

The Board recommends that Shareholders vote in favour of Resolution 3.

7. **Resolution 4 - Ratification of issue of SPP Shares**

7.1 **General**

On 29 July 2020, the Company announced that it planned to undertake a share purchase plan (**SPP**) to raise up to approximately \$1,000,000 (before costs) by the issue of Shares at \$0.025 each (**SPP Shares**) to eligible Shareholders.

On 1 September 2020, the Company issued 40,000,000 SPP Shares to eligible Shareholders using the Company's placement capacity under Listing Rule 7.1.

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the SPP Shares.

7.2 **Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the SPP Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the SPP Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rules 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If Resolution 4 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 40,000,000 Equity Securities for the 12 month period following the issue of the SPP Shares.

7.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the SPP Shares:

- (a) The SPP Shares were issued to Shareholders eligible to participate under the SPP.
- (b) 40,000,000 SPP Shares were issued.
- (c) The SPP Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The SPP Shares were issued on 1 September 2020.
- (e) The SPP Shares were issued at \$0.025 per Share.
- (f) The proceeds from the issue of the SPP Shares are intended to be used towards technology and development, sales and operational resources, advertising and marketing and general working capital.
- (g) The SPP Shares were not issued under an agreement.
- (h) The Company has been granted a waiver by ASX under Listing Rule 7.5.8 to permit any person who participated in the issue of the SPP Shares and ordinarily excluded from voting on Resolution 4 to vote.

7.4 Additional information

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

8. **Resolution 5(a) and (b) - Ratification of issue of Tranche 1 Placement Shares**

8.1 **General**

On 29 July 2020, the Company announced that it had received binding commitments for a placement to raise \$6,150,000 (before costs) (**Placement**) by the issue of Shares at \$0.025 each as follows:

- (a) 200,000,000 Shares to be issued to sophisticated and professional investors who are not related parties of the Company (**Tranche 1 Placement Shares**); and
- (b) 6,000,000 Shares to be issued to the Directors, subject to the receipt of prior Shareholder approval (the subject of Resolution 6) (**Tranche 2 Placement Shares**).

On 6 August 2020, the Company issued the Tranche 1 Placement Shares to sophisticated and professional investors using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 5(a) and (b) seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

8.2 **Listing Rules 7.1, 7.1A and 7.4**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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 comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 29 November 2019.

The issue of Tranche 1 Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under each of Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rule for the 12 month period following the issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

If each of the Resolutions which form part of Resolution 5 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

In the event that Resolution 5(a) is not passed, those Tranche 1 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 84,980,122 Equity Securities for the 12 month period following the issue of those Tranche 1 Placement Shares.

In the event that Resolution 5(b) is not passed, those Tranche 1 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agreed to issue without obtaining prior Shareholder approval, to the extent of 115,019,878 Equity Securities for the 12 month period following the issue of those Tranche 1 Placement Shares.

8.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) The Tranche 1 Placement Shares were issued to sophisticated and professional investors, none of whom is a related party of the Company or a Material Investor. Blue Ocean Equities acted as Lead Manager to the Placement. The sophisticated and professional investors were identified through a bookbuild process, which involved Blue Ocean Equities seeking expressions of interest to participate in the capital raising from non-related parties of the Company, and are existing contacts of the Company and clients of Blue Ocean Equities.
- (b) 20,000,000 Tranche 1 Placement Shares were issued as follows:
 - (i) 84,980,122 Tranche 1 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 115,019,878 Tranche 1 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 6 August 2020.
- (e) The Placement Shares were issued at \$0.025 per Share.
- (f) The proceeds from the issue of the Tranche 1 Placement Shares are intended to be used to accelerate WINEDEPOT's growth strategy through the launch of the WINEDEPOT Marketplace and expansion of the Smart Logistics business required to support the Marketplace. Investments will be made in technology and development, sales and operational resources, advertising and marketing and general working capital, as well as for costs of the Placement and general working capital.
- (g) There are no other material terms to the agreement for the subscription of the Tranche 1 Placement Shares.

- (h) A voting exclusion statement is included in the Notice.

8.4 **Additional information**

Each of the resolutions which forms part of Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the resolutions which forms part of Resolution 5.

9. **Resolution 6(a),(b) and (c) - Approval to issue Tranche 2 Placement Shares**

9.1 **General**

Pursuant to Resolution 6, the Company is seeking Shareholder approval for the issue of up to 6,000,000 Tranche 2 Placement Shares at an issue price of \$0.025 each to raise up to \$150,000 (before costs) as follows:

- (a) 3,625,000 Shares to Paul Evans;
- (b) 1,375,000 Shares to Dean Taylor; and
- (c) 1,000,000 Shares to James Walker,

or their respective nominees.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Tranche 2 Placement Shares to the Directors.

9.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The Directors are related parties of the Company by virtue of being Directors. As the proposed issue of Tranche 2 Placement Shares involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Tranche 2 Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Tranche 2 Placement Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If each of the Resolutions which form part of Resolution 6 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares in the proportions set out above in Section 9.1.

If each of the Resolutions which form part of Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares.

9.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Tranche 2 Placement Shares:

- (a) The Tranche 2 Placement Shares will be issued to Directors Dean Taylor, Paul Evans and James Walker (or their respective nominees).
- (b) Pursuant to Listing Rule 10.11.1, Messrs Taylor, Evans and Walker are related parties by virtue of being Directors.
- (c) The maximum number of Tranche 2 Placement Shares to be issued is 6,000,000 in the following proportions:
 - (i) 3,625,000 Tranche 2 Placement Shares to Paul Evans;
 - (ii) 1,375,000 Tranche 2 Placement Shares to Dean Taylor; and
 - (iii) 1,000,000 Tranche 2 Placement Shares to James Walker,or their respective nominees.
- (d) The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) The Tranche 2 Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The issue price will be \$0.025 per Tranche 2 Placement Share, being the same issue price as the Tranche 1 Placement Shares.
- (g) The funds raised by the issue of the Tranche 2 Placement Shares will be used for the same purposes as all other funds raised under the Placement as described in Section 8.3(f).

- (h) There are no other material terms to the agreement by the Directors to subscribe for Tranche 2 Placement Shares.
- (i) A voting exclusion statement is included in the Notice.

9.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Tranche 2 Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche 2 Placement Shares because the Shares will be issued on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

9.5 **Additional information**

Each of the Resolutions which forms part of Resolution 6 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

10. **Resolution 7- Ratification of issue of 2020 Lead Manager Options**

10.1 **General**

On 24 June 2020, the Company issued Blue Ocean Equities (or its nominees) 5,000,000 Options (**2020 Lead Manager Options**) as partial consideration for lead manager services provided by Blue Ocean Equities to the Company in connection with the Placement.

The 2020 Lead Manager Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the 2020 Lead Manager Options.

10.2 **Listing Rules 7.1 and 7.4**

Summaries of Listing Rules 7.1 and 7.4 are in Section 7.2 above.

The issue of the 2020 Lead Manager Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the

Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following their issue.

The effect of Shareholders passing Resolution 7 will be to restore the Company's ability to issue further Equity Securities, to the extent of 5,000,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event that Resolution 7 is not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 5,000,000 Equity Securities for the 12 month period following the issue of the 2020 Lead Manager Options.

10.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the 2020 Lead Manager Options:

- (a) The 2020 Lead Manager Options were issued to Blue Ocean Equities (or its nominees), whom is not a related party of the Company or a Material Investor.
- (b) 5,000,000 2020 Lead Manager Options were issued.
- (c) The 2020 Lead Manager Options are exercisable at \$0.0375 each on or before 6 August 2023 and were otherwise issued on the terms and conditions in Schedule 3.
- (d) The 2020 Lead Manager Options were issued on 24 June 2020.
- (e) The 2020 Lead Manager Options were issued for nil cash consideration, as part consideration for lead manager services provided to the Company in relation to the Placement.
- (f) The 2020 Lead Manager Options were issued in lieu of cash payment as part consideration for lead manager services provided to the Company in connection with the Placement. No funds were raised by their issue.
- (g) The 2020 Lead Manager Options were issued in accordance with the 2020 Lead Manager Mandate. A summary of the 2020 Lead Manager Mandate is in Section 10.4 below.
- (h) A voting exclusion statement is included in the Notice.

10.4 **Summary of material terms of the 2020 Lead Manager Mandate**

The Company engaged Blue Ocean Equities pursuant to the 2020 Lead Manager Mandate for the provision of lead manager and bookbuild services for the Placement.

In consideration for its services, the Company agreed to pay Blue Ocean Equities:

- (a) a management fee of 3% of the proceeds raised under the Placement; and
- (b) a selling fee of 3% of the proceeds raised under the Placement,

and issue the 2020 Lead Manager Options.

The Placement raised a total of \$5,000,000 (before costs). Fees of \$300,000 (excl GST) were payable to Blue Ocean Equities, in addition to the issue of the 2020 Lead Manager Options.

The 2020 Lead Manager Mandate contains additional provisions including termination rights, reimbursement obligations, and warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

10.5 **Additional information**

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

11. **Resolution 8 - Ratification of issue of 2019 Lead Manager Securities**

11.1 **General**

On 23 December 2019, the Company issued Peak Asset Management (or its nominees) 7,875,796 Shares and 875,088 Options (together, **2019 Lead Manager Securities**) in lieu of cash payment for lead manager services provided in connection with the Company's placement and entitlement offer announced on 15 November 2019 (**Capital Raising**).

The 2019 Lead Manager Securities were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 8 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the 2019 Lead Manager Securities.

11.2 **Listing Rules 7.1 and 7.4**

Summaries of Listing Rules 7.1 and 7.4 are in Section 7.2 above.

The issue of the 2019 Lead Manager Securities does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following their issue.

The effect of Shareholders passing Resolution 8 will be to restore the Company's ability to issue further Equity Securities, to the extent of 8,750,884 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event that Resolution 8 is not passed, the Company's ongoing capacity to issue or agree to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 8,750,884 Equity Securities for the 12 month period following the issue of the 2019 Lead Manager Securities.

11.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the 2019 Lead Manager Securities:

- (a) The 2019 Lead Manager Securities were issued to Peak Asset Management (or its nominees), whom is not a related party of the Company or a Material Investor.

- (b) The 2019 Lead Manager Securities are comprised of 7,875,796 Shares and 875,088 Options.
- (c) The Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Options are exercisable at \$0.0375 each on or before 6 August 2023 and were otherwise issued on the terms and conditions in Schedule 3.
- (d) The 2019 Lead Manager Securities were issued on 23 December 2019.
- (e) The Shares were issued in lieu of cash payment for lead manager services provided to the Company in connection with its Capital Raising, at a deemed issue price of \$0.006 per Share. The Options were free-attaching to the Shares issued.
- (f) The 2019 Lead Manager Securities were issued in lieu of cash payment for lead manager services provided to the Company in connection with its Capital Raising. No funds were raised by their issue.
- (g) The 2019 Lead Manager Securities were issued in accordance with the 2019 Lead Manager Mandate. A summary of the 2019 Lead Manager Mandate is in Section 11.4 below.
- (h) A voting exclusion statement is included in the Notice.

11.4 Summary of material terms of the 2019 Lead Manager Mandate

The Company engaged Peak Asset Management pursuant to the 2019 Lead Manager Mandate for the provision of lead manager services in relation to the Capital Raising.

In consideration for its services, the Company agreed to pay Peak Asset Management:

- (a) a management fee of 1% of the total amount raised under the Capital Raising; and
- (b) a capital raising fee of 6% for any funds raised by or introduced by Peak Asset Management under the Capital Raising.

The Capital Raising raised a total of \$1,002,740 (before costs). Fees of \$82,069 were payable to Peak Asset Management, which were settled partially by the issue of the 2019 Lead Manager Securities.

The 2019 Lead Manager Mandate contains additional provisions including termination rights, reimbursement obligations, and warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

11.5 Additional information

Resolution 8 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 8.

12. Resolution 9(a), (b) and (c) - Approval of issue of Incentive Options

12.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 24,000,000 Options (**Incentive Options**) to the Directors or their respective nominees, as follows:

Director	Class A Incentive Options	Class B Incentive Options
Paul Evans	2,000,000	4,000,000
Dean Taylor	4,000,000	8,000,000
James Walker	2,000,000	4,000,000
TOTAL	8,000,000	16,000,000

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Incentive Options are to be issued under the Company's Employee Securities Incentive Plan (**Plan**), the terms of which are summarised in the Company's 2019 notice of annual general meeting, announced on ASX on 30 October 2019.

Subject to the terms and conditions in Schedule 4, the Incentive Options will vest as follows:

- (a) the Class A Incentive Options will vest on 25 November 2021; and
- (b) 50% of the Class B Incentive Options held by each Director will vest on 25 November 2022, and the second 50% of the Class B Incentive Options held by each Director will vest on 25 November 2023,

subject to the Director continuing to hold the position of Director at all times until the relevant vesting date.

Resolution 9(a), (b) and (c) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 24,000,000 Incentive Options under the Plan to the Directors or their respective nominees.

12.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a Director of the Company (Listing Rule 10.14.1);
- (b) an associate of a Director of the Company (Listing Rule 10.14.2); or

- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of the Incentive Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Incentive Options to be granted to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 9(a), (b) and (c) seeks the required Shareholder approval to the proposed issue under and for the purposes of Listing Rule 10.14. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 9(a) is passed, the Company will be able to proceed with the issue of Incentive Options to Paul Evans.

If Resolution 9(b) is passed, the Company will be able to proceed with the issue of Incentive Options to Dean Taylor.

If Resolution 9(c) is passed, the Company will be able to proceed with the issue of Incentive Options to James Walker.

12.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) The Incentive Options will be issued under the Plan to Messrs Evans, Taylor and Walker (or their respective nominees), each of whom is a Director.
- (b) Messrs Evans, Taylor and Walker are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The maximum number of Incentive Options to be issued to the Directors (or their respective nominees) is 24,000,000, in the proportions specified in Section 12.1 above.
- (d) The current total remuneration package for each of the Directors as at the date of this Notice are set out below:

Director	Salary and fees (inclusive of superannuation)
Paul Evans	\$75,000
Dean Taylor	\$275,000 with an additional up to 25% of base remuneration (at directors' discretion).
James Walker	\$50,000

- (e) The Directors have not previously been issued Securities under the Plan.

- (f) The Incentive Options will be issued on the terms and conditions in Schedule 4.
- (g) The Board considers that Incentive Options, rather than Shares, are an appropriate form of incentive because the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.
- (h) A valuation of the Incentive Options is in Schedule 5, with a summary for each of the Directors below:

Director	Value of Incentive Options
Paul Evans	\$197,077
Dean Taylor	\$394,153
James Walker	\$197,077

- (i) The Incentive Options will be issued as soon as practicable after the Meeting and in any event, no later than 12 months after the date of the Meeting.
- (j) The Incentive Options will have an issue price of nil as they will be issued as part of each Director's remuneration package.
- (k) A summary of the material terms of the Plan is in the Company's 2019 notice of annual general meeting announced on 30 October 2019.
- (l) No loan will be provided to the Directors in relation to the issue of the Incentive Options.
- (m) Details of any Securities issued under the Plan 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 Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 9(a), (b) and (c) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice.

12.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Options constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

Although the Board considers that the grant of the Incentive Options constitutes reasonable remuneration in the circumstances, as each of the Directors have a personal interest in Resolution 9, the Board has resolved to seek Shareholder approval for the purposes of Chapter 2E of the Corporations Act.

12.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Incentive Options:

(a) **Identity of the related parties to whom Resolution 9(a), (b) and (c) permit financial benefits to be given**

The Incentive Options will be issued to Messrs Evans, Taylor and Walker or their respective nominees.

(b) **Nature of the financial benefit**

Resolution 9(a), (b) and (c) seek approval from Shareholders to allow the Company to issue the Incentive Options in the amounts specified in Section 12.1 above to the Directors or their nominees. The Incentive Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 4.

The Shares to be issued upon conversion of the Incentive Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A valuation of the Incentive Options is in Schedule 5, with a summary Section 12.3(h) above.

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice is set out at Section 12.3(d).

(e) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Quoted Options ¹	Performance Rights
Paul Evans	23,076,923	5,769,231	Nil

Director	Shares	Quoted Options ¹	Performance Rights
Dean Taylor	95,274,196	2,198,551	100,000,000 ²
James Walker	3,846,154	961,538	Nil

Notes:

1. Quoted Options exercisable at \$0.015 each on or before 31 December 2022.
1. Comprised of 50,000,000 class A Performance Rights and 50,000,000 class B Performance Rights on the terms and conditions in the Company's notice of meeting dated 30 October 2018.

Assuming that each of the resolutions which form part of Resolution 9 are approved by Shareholders, all of the Incentive Options are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- (i) Mr Evans' interest would represent approximately 1.92% of the Company's expanded capital;
- (ii) Mr Taylor's interest would represent approximately 7.10% of the Company's expanded capital; and
- (iii) Mr Walker's interest would represent approximately 0.65% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest:	\$0.062 per Share on 12 - 13 October 2020
Lowest:	\$0.005 per Share on 9, 13, 16 - 20, 23 -25, 27, 30 and 31 March, 14, 20, 23 - 24 and 27 - 28 April and 5 - 6 May 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.058 per Share on 16 October 2020.

(g) **Dilution**

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentive Options vest and are exercised. The potential dilution effect is summarised below:

Incentive Options	Dilutionary effect
Class A	0.53%
Class B	1.06%

The above table assumes the current Share capital structure as at the date of this Notice (being 1,487,194,813 Shares on 19 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options. The exercise of all of the Incentive Options will result in a total dilution of all other Shareholders' holdings of 1.59% on a fully diluted basis (assuming that all Incentive Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Dean Taylor is an executive director of the Company and therefore the Board believes that the grant of the Incentive Options is in line with Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Incentive Options to the non-executive Directors, Messrs Evans and Walker, is contrary to Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to the non-executive Directors reasonable in the circumstances for the reasons set out in Section 12.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Incentive Options (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolution 9(a), (b) and (c) due to their personal interests in the outcome of the Resolutions.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 9(a), (b) and (c).

12.6 Board recommendation

Resolution 9(a) to (c) (inclusive) are ordinary resolutions.

The Directors decline to make a recommendation to Shareholders in relation to Resolution 9(a), (b) and (c) due to their personal interests in the outcome of the Resolutions.

13. Resolution 10 – Replacement of Constitution

13.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 10 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares.

The Proposed Constitution incorporates amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2016. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (eg references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

13.2 **Summary of material proposed changes**

(a) **Restricted Securities (article 2.7)**

ASX introduced a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under article 2.7 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

(b) **Minimum Shareholdings (article 2.6 and schedule 4)**

Articles 2.6 and schedule 4 of the Proposed Constitution outline how the Company can manage shareholdings which represent 'less than a marketable parcel' of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Proposed Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 4 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with Minimum Shareholdings.

(c) **Dividends (article 13)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(d) **Fee for registration of off-market transfers (article 4.4)**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a 'reasonable fee' for registering paper-based transfers, sometimes referred to 'off-market transfers'.

Article 4.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(e) **Deemed notice to uncontactable Shareholders (article 14.5)**

Article 14.5 provides that a document will be deemed to have been served to a Shareholder if the document is exhibited in the registered office of the Company for 48 hours in the event that:

- (i) a Shareholder does not have an address in the register of Shareholders, and has not nominated an alternative address; or
- (ii) the Company reasonable believes that a Shareholder is not known at the Shareholder's address in the register of Shareholders or any alternative address provided.

(f) **Partial (proportional) takeover provisions (article 4.9 and schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

13.3 **Information required by section 648G of the Corporations Act**

(a) **Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow

Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 10.

13.4 **Additional information**

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 10.

14. Resolution 11– Approval of issue of Consideration Shares

14.1 General

On 14 October 2020, the Company announced that it had entered into a binding term sheet (**Acquisition Agreement**) with Wine Delivery Australia Pty Ltd (**WDA**) and the shareholders of WDA (**WDA Vendors**) to acquire 100% of the issued capital of WDA (**WDA Acquisition**).

WDA operates a third-party wine logistics business based in Adelaide, South Australia. WDA was established in November 2016 and currently provides a unique logistics service for approximately 200 wineries located in South Australia.

In FY2020, WDA generated approximately \$1.5 million in revenue and delivered a net operating profit of over \$100,000. WDA currently employs six staff. The Company intends for these staff members to remain with the WDA following completion of the WDA Acquisition.

Following completion of the WDA Acquisition, WDA will become a wholly owned subsidiary of the Company. The Company intends on expanding the WDA service offering into other states.

The WDA Acquisition is considered to be a strategic acquisition for the Company, and complementary to its existing service offering.

Resolution 11 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 40,660,807 Consideration Shares to the WDA Vendors or their respective nominees.

14.2 Key terms of the Acquisition Agreement

(a) Consideration

The consideration payable by the Company to the WDA Vendors for the WDA Acquisition has been valued at \$2.4 million, comprised of the following:

- (i) 40,660,807 Consideration Shares (the subject of this Resolution 11) ; and
- (ii) \$600,000 of cash.

The number of Consideration Shares was calculated using a deemed issue price of \$0.044 (rounded), being the VWAP of Shares over the 30 days on which trades of Shares were recorded on ASX up to the date the confidential, non-binding and indicative term sheet for the WDA Acquisition was executed.

(b) Conditions precedent

Completion of the WDA Acquisition remains subject to and conditional on

- (i) completion of financial, legal and technical due diligence by the Company on WDA's business and operations, to the satisfaction of the Buyer in its sole discretion;
- (ii) James Munn and Wine Depot (a wholly owned subsidiary of the Company) entering into a senior executive employment pursuant to which Mr Munn is employed as the Head of Business Development (Logistics), and this agreement not having been terminated; and

(iii) the Company obtaining all necessary Shareholder approvals for the WDA Acquisition, including approval for the purposes of Listing Rule 7.1 for the issue of the:

- (A) Consideration Shares to the WDA Vendors (the subject of this Resolution 11 ; and
- (B) Performance Rights to James Munn (the subject of Resolution 12).

The Conditions Precedent must be satisfied or, where permitted, waived by the Company, by no later than 31 December 2020 (or such later date as the parties may agree).

(c) **Voluntary escrow**

13,723,022 of the Consideration Shares will be issued to James Munn as consideration for his shares in WDA. These Consideration Shares will be subject to voluntary escrow as follows:

Escrowed Shares	Voluntary Escrow Period
3,430,756	6 months from completion of the WDA Acquisition
3,430,756	12 months from completion of the WDA Acquisition
3,430,755	18 months from completion of the WDA Acquisition
3,430,755	24 months from completion of the WDA Acquisition

During the Voluntary Escrow Period, Mr Munn may:

- (i) accept the Escrowed Shares into a takeover bid made under Chapter 6 of the Corporations Act in respect of all the Shares that is or has become free of any defeating conditions (other than a condition in respect of the events listed in section 652C of the Corporations Act);
- (ii) have the Escrowed Shares transferred or cancelled as part of the transfer or cancellation of all the Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act; or
- (iii) otherwise deal with the Escrowed Shares as may be required by applicable law or order of a court of competent jurisdiction,

and the Company must ask its share registry to remove the holding lock to allow Mr Munn to deal with the Escrowed Shares in the circumstances described above.

With the exception of the holding lock described above, Mr Munn will be entitled to all other rights applicable to holders of Shares in respect of the Escrowed Shares, including in relation to voting, entitlements to participate in pro rata offers to eligible security holders, bonus issues and dividends.

The Escrowed Shares comprise 33.75% of the total number of Consideration Shares, and 0.95% of the Company's Shares on issue as at the date of this Notice.

(d) **Additional provisions**

The Acquisition Agreement contains additional provisions considered customary for agreements of this nature, including the provision of representations, warranties and indemnities.

14.3 **Listing Rule 7.1**

There is a summary of Listing Rule 7.1 in Section 7.2 above.

If Resolution 11 is passed, the Company will have satisfied a condition precedent to the Acquisition Agreement and, subject to the remaining conditions precedent being satisfied or waived, proceed to completion of the Acquisition Agreement. The issue of Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 11 is not passed, the Company will not issue the Consideration Shares and will not complete the WDA Acquisition on its current terms. The Company may seek to renegotiate the terms of the WDA Acquisition or otherwise not proceed with the WDA Acquisition. The Company will continue to seek acquisition opportunities for complementary businesses.

14.4 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to the WDA Vendors or their respective nominees.
- (b) 40,660,807 Shares are proposed to be issued as Consideration Shares.
- (c) The Consideration Shares will be fully paid ordinary securities.
- (d) The Consideration Shares will be issued upon completion of the WDA Acquisition, which is to occur by no later than 31 December 2020 (or such later date as the parties may agree, subject to this being no later than three months after the date of the Meeting).
- (e) The Consideration Shares are proposed to be issued as part consideration for the WDA Acquisition.
- (f) The Consideration Shares are proposed to be issued as part consideration for the WDA Acquisition. No funds will be raised by their issue.
- (g) The additional material terms of the agreement pursuant to which the Consideration Shares are proposed to be issued are summarised in Section 14.2 above.
- (h) A voting exclusion statement is included in the Notice.

15. Resolution 12– Approval of issue of Performance Rights

15.1 General

In connection with the WDA Acquisition, the Company's wholly owned subsidiary, Wine Depot, is proposing to employ James Munn as its Head of Business Development (Logistics).

Given the Performance Rights are proposed to be issued in relation to an acquisition, they are not considered to be 'ordinary course of business remuneration securities' within the meaning of ASX Guidance Note 19. The terms of the Performance Rights are subject to receipt of confirmation from ASX that the terms of the Performance Rights are appropriate and equitable in accordance with Listing Rule 6.1. The Company will provide an update by way of announcement if any amendments to the terms of the Performance Rights are required by ASX.

Resolution 12 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 25,000,000 Performance Rights to James Munn or his nominees as part of his remuneration.

15.2 Listing Rule 7.1

There is a summary of Listing Rule 7.1 in Section 7.2 above.

If Resolution 12 is passed, the Company will have satisfied a condition precedent to the Acquisition Agreement and, subject to the remaining conditions precedent being satisfied or waived, proceed to completion of the Acquisition Agreement. The issue of Performance Rights will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 12 is not passed, the Company will not issue the Performance Rights to Mr Munn and will either not be in a position to complete the WDA Acquisition, or will be required to negotiate revised employment terms with Mr Munn, which may include other forms of performance-based remuneration, including by the payment of cash.

15.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) The Consideration Shares will be issued to James Munn or his nominees.
- (b) 25,000,000 Performance Rights are proposed to be issued.
- (c) The terms and conditions of the Performance Rights are in Schedule 6.
- (d) The Consideration Shares will be issued upon completion of the WDA Acquisition, which is to occur by no later than 31 December 2020 (or such later date as the parties may agree, subject to this being no later than three months after the date of the Meeting).
- (e) The Performance Rights are proposed to be issued as partial remuneration for Mr Munn.
- (f) The Performance Rights are proposed to be issued as partial remuneration for Mr Munn. No funds will be raised by their issue.

- (g) The additional material terms of the agreement pursuant to which the Performance Rights are proposed to be issued are as follows:
 - (i) Employer: Wine Depot
 - (ii) Commencement date: The date on which completion occurs under the Acquisition Agreement
 - (iii) Position: Head of Business Development (Logistics)
 - (iv) Base salary: \$175,000 per annum, exclusive of superannuation
 - (v) Notice period: Three months
- (h) A voting exclusion statement is included in the Notice.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
2019 Lead Manager Mandate	means the agreement between the Company and Peak Asset Management for the provision of broker, lead manager and bookrunner services to the Capital Raising.
2019 Lead Manager Securities	means the 7,875,796 Shares and 875,088 Options issued to Peak Asset Management which are the subject of Resolution 8.
2020 Lead Manager Mandate	means the agreement between the Company and Blue Ocean Equities for the provision of broker, lead manager and bookrunner services to the Placement.
2020 Lead Manager Options	means the 5,000,000 Options issued to Blue Ocean Equities the subject of Resolution 7.
Acquisition Agreement	means the agreement between the Company, WDA and the WDA Vendors pursuant to which it is proposed that the Company acquires 100% of the issued capital of WDA.
AEDT	means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Blue Ocean Equities	means Blue Ocean Equities Pty Limited (ACN 151 186 935).
Board	means the board of Directors.
Capital Raising	has the meaning given in Section 11.1.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none"> (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.

Company	means Digital Wine Ventures Limited (ACN 086 435 136).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Incentive Options	means up to 24,000,000 Options the subject of Resolution 9(a) to (c) (inclusive).
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: <ul style="list-style-type: none"> (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an adviser; or (e) an associate of the above, who received or will receive (as applicable) Securities in the Company which constitute or constituted (as applicable) more than 1% of the Company's anticipated capital structure at the time of issue.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 6.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.

Peak Asset Management	means Peak Asset Management Unit Trust (ABN 81 891 265 739) (AFS: 244040).
Performance Rights	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Placement	has the meaning given in Section 8.1.
Plan	means the Company's Employee Securities Incentive Plan.
Proposed Constitution	means the proposed new constitution of the Company, a copy of which may be sent to Shareholders upon request to the Company Secretary, which is the subject of Resolution 10.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
SPP	means the Company's share purchase plan.
SPP Shares	means the 40,000,000 Shares issued under the SPP and which are the subject of Resolution 4.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
Tranche 1 Placement Shares	means the 200,000,000 Shares issued under the Placement the subject of Resolution 5(a) and (b).
Tranche 2 Placement Shares	means the 6,000,000 Shares to be issued under the Placement the subject of Resolution 6.
VWAP	means volume weighted average market price.
WDA	means Wine Delivery Australia Pty Ltd (ACN 616 042 776).
WDA Acquisition	means the acquisition of 100% of the issued capital of WDA by the Company pursuant to the Acquisition Agreement.

WDA Vendors

means the shareholders of WDA.

Wine Depot

means Wine Depot Holdings Pty Ltd (ACN 627 925 400)

Schedule 2 Securities issued or agreed to be issued in the previous 12 months under Listing Rule 7.1A

Details of each issue of Equity Securities by the Company under Listing Rule 7.1A during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹	Cash consideration and use of funds
06/08/2020	115,019,878	Shares	Sophisticated and professional investors under the Placement	\$0.025 per Share, representing a discount of 37.5% to the Market Price on the date of issue	\$2,875,497 (before costs) was raised, of which \$2,875,497 (before costs) was raised, of which none has been expended, but which is intended be spent on accelerating WINEDEPOT's growth strategy through the launch of the WINEDEPOT Marketplace and expansion of the Smart Logistics business required to support the Marketplace. Investments will be made in technology & development, sales & operational resources, advertising & marketing and working capital requirements.

Note:

1. 'Market Price' means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue (or agreement to issue, as applicable) of the relevant Equity Securities.

Schedule 3 Terms and conditions of Lead Manager Options

1. **(Entitlement)**: Each Option gives the holder the right to subscribe for one Share.
2. **(Expiry Date)**: The Options will expire at 5.00pm (Sydney time) on 6 August 2023 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. **(Exercise Price)**: Subject to paragraph (i), the amount payable upon exercise of each Option is \$0.0375 per Option.
4. **(Exercise)**: A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (b) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,
5. **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
6. **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
7. **(Transferability)**: The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
8. **(Ranking of Shares)**: All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
9. **(Quotation)**: The Company does not intend to apply for quotation of the Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
10. **(Reconstruction)**: If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
11. **(Participating rights)**: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
12. **(Amendments)**: An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

Schedule 4 Terms and conditions of Incentive Options

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
3. **(Exercise Price, Vesting Condition and Expiry Date)**: The Options are subject to the following Exercise Price, Vesting Condition and Expiry Date:

	Class A Incentive Options	Class B Incentive Options
Exercise Price	\$0.025	\$0.0465
Vesting Condition	Class A Incentive Options will vest on 25 November 2021, subject to the relevant Director continuing to hold the position of Director at all times until that vesting date	50% of the Class B Incentive Options will vest on 25 November 2022 and the second 50% will vest on 25 November 2023, subject to the relevant Director continuing to hold the position of Director at all times until the applicable vesting date
Expiry Date	25 November 2022	25 November 2024

4. **(Exercise Period)**: The Options are exercisable at any time and from time to time after the Vesting Condition has been satisfied, until 5.00pm (Sydney time) on the Expiry Date. An Option not exercised before 5.00pm (Sydney time) on the Expiry Date will automatically lapse on the Expiry Date.
5. **(Vesting Conditions)**: An Option which becomes incapable of vesting by reason of the relevant Director ceasing to hold the position of Director at all times until the relevant vesting date, will automatically lapse.
6. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

9. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
10. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
16. **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised but vested Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.

17. **(Change of Control):** Upon the occurrence of:

- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
 - (ii) having been declared unconditional by the bidder;
- (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
- (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 17(b) above,

(Change of Control Event) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 5 Valuation of Incentive Options

The Incentive Options to be issued to the Directors pursuant to Resolution 9(a), (b) and (c) have been valued according to the Black & Scholes valuation model on the following assumptions:

Director	Paul Evans		Dean Taylor		James Walker	
Incentive Options	Class A	Class B	Class A	Class B	Class A	Class B
Assumed Share price at grant date	\$0.051	\$0.051	\$0.051	\$0.051	\$0.051	\$0.051
Exercise price	\$0.025	\$0.0465	\$0.025	\$0.0465	\$0.025	\$0.0465
Expiry date	25 November 2022	25 November 2024	25 November 2022	25 November 2024	25 November 2022	25 November 2024
Expected volatility	87.01%	87.01%	87.01%	87.01%	87.01%	87.01%
Risk free interest rate	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
Annualised dividend yield	0%	0%	0%	0%	0%	0%
Value of each Incentive Options	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033	\$0.033
Aggregate value of Incentive Options	\$66,352	\$130,724	\$132,704	\$261,449	\$66,352	\$130,724

Notes:

The valuations took into account the following matters:

1. The following Vesting Conditions apply to the Incentive Options:
 - (a) Class A Incentive Options will vest on 25 November 2021, subject to the relevant Director continuing to hold the position of Director at all times until that vesting date; and
 - (b) 50% of each directors Class B Incentive Options will vest on 25 November 2022 and the remaining 50% will vest on 25 November 2023, subject to the relevant Director continuing to hold the position of Director at all times until that vesting date.
2. Incentive Options can only be exercised following the satisfaction of the Vesting Condition or a change of control event.
3. The Directors have assessed the likelihood of the Vesting Condition for the Incentive Options being achieved as:
 - (a) 100% for the Class A Incentive Options; and
 - (b) 100% for the Class B Incentive Options, subject to the Vesting Condition for the Class A Incentive Options being satisfied, thus giving a multiplicative likelihood of 100%; and
4. The valuation of Incentive Options assumes that the exercise of an Incentive Option does not affect the value of the underlying asset.
5. Given that the Incentive Options are to be issued for no cash consideration, the value of the Incentive Options is reflected in the underlying Share price at the valuation date. The Share price used is based on the closing price on 2 October 2020, being \$0.051.

Schedule 6 Terms and conditions of Performance Rights

1. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of DW8 (**Share**).
2. **(Vesting conditions and expiry dates):** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) and expiry dates (**Expiry Date**) specified below:

Class	A	B
Number	12,500,000	12,500,000
Vesting Condition	<p>The following conditions being satisfied:</p> <ul style="list-style-type: none"> • At least \$2.5 million of Revenue in the 2021 calendar year; and • the WDA Business Model being expanded into at least a second Australian state. 	<p>The following conditions being satisfied:</p> <ul style="list-style-type: none"> • At least \$5 million of Revenue in the 2022 calendar year; and • the WDA Business Model being expanded into at least a third Australian state.
Expiry Date	31 December 2021	31 December 2022

Where:

Revenue means revenue derived and actually received from the WDA Business Model in respect of freight sales for the shipment of both cartons and pallets on behalf of customers, as included in the Company's consolidated audited financial statements and calculated in accordance with Australian accounting standards. Revenue will exclude any one-off or extraordinary revenue items and revenue received in the form of government grants, allowances rebates or other hand-outs.

WDA Business Model means the third party wine logistics business currently operated by Wine Delivery Australia Pty Ltd being acquired by the Company.

3. **(Change of Control):** Upon a Change of Control occurring, the Performance Rights automatically vest into such number of Shares which is equal to the lesser of:
 - (a) one Share for every Performance Right then on issue; and
 - (b) such number of Shares which, when issued together with all other Shares issued as a result of the automatic vesting of convertible securities due to the Change of Control, constitutes 10% of the issued ordinary capital of the Company as at the date of vesting.

Where **Change of Control** means:

- (a) a court approval of a merger by way of scheme of arrangement (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure

(including change of domicile, consolidation, sub-division, reduction or return of the issued capital of the Company); or

- (b) a takeover bid (as defined under the Corporations Act) is announced, has become unconditional, and the person making the takeover bid has a relevant interest in 50% or more of the Shares.

4. **(Expiry of Performance Rights):** A Performance Right will lapse upon the earlier to occur of:

- (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of the holder's employment with the Company group;
- (b) the Vesting Condition not being satisfied on or before the Expiry Date.

5. **(Shares issued on vesting):** Shares issued on the vesting of a Performance Rights rank equally with the then Shares of the Company.

6. **(No cash consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares upon the vesting of the Performance Rights.

7. **(Timing of issue of Shares):**

- (a) If the Company is able to issue a Cleansing Statement, within 5 Business Days after the vesting of a Performance Right, the Company will:
 - (i) allot and issue the Shares required to be issued to the holder pursuant to the vesting (**Vested Shares**);
 - (ii) record the holder as the holder of the Vested Shares in the Company's share register;
 - (iii) lodge with the ASX in accordance with all applicable laws in respect of the issue of the Vested Shares a Cleansing Statement which will enable the Vested Shares to be freely tradeable from the date of the Cleansing Statement; and
 - (iv) apply for official quotation on ASX of such Vested Shares issued pursuant to the vesting.
- (b) If the Company is not able to issue a Cleansing Statement within the time required pursuant to item 7(a), within 5 Business Days after the vesting of a Performance Right, the Company will:
 - (i) allot and issue the Vested Shares to the holder;
 - (ii) record the holder as the holder of the Vested Shares in the Company's share register;
 - (iii) apply for official quotation on ASX of such Vested Shares issued pursuant to the Exercise,

and the Company will also issue a Cleansing Prospectus as soon as reasonably practicable after the issue of the Vested Shares and on any event, within 20 Business Days of that date. Until the Company has issued the Cleansing Prospectus, the holder

may only transfer the Vested Shares to a person satisfying the requirements of section 708(8), (10) or (11) of the Corporations Act.

- (c) The Company must not later than 2 Business Days after the issue of the Vested Shares to the holder, deliver or cause to be delivered to the holder a holding statement in respect of the Vested Shares.
- (d) Upon the issue of the Vested Shares, the holder agrees to be bound by the Constitution.

8. (Quotation):

- (a) The Company will not apply for quotation of the Performance Rights on ASX.
- (b) Application will be made by the Company to ASX, on the business day the Shares are issued, for quotation of the Shares issued upon the vesting of the Performance Rights.

9. **(Transferability of Performance Rights):** The Performance Rights are not transferable, except with the prior written approval of the Company.
10. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of unvested Performance Rights.
11. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the vesting of a Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.
12. **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 11 will apply) there will be no adjustment to the number of Shares which will be issued upon the vesting of a Performance Right.
13. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

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2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Digital Wine Ventures Limited and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the meeting

OR

☐



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 25 November 2020 at 1:00pm (AEDT)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 9(a)-9(c) (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

If the Chairman is a person referred to in the voting prohibition statement applicable to Resolutions 9(a)-9(c) under section 224 of the Corporations Act, the Chairman will only be able to cast a vote as a proxy for you on Resolutions 9(a)-9(c) if you are entitled to vote and have specified your voting intention in the Proxy Form. Shareholders are encouraged to specify their voting intention for every Resolution.

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 Resolutions 1 and 9(a)-9(c) by marking the appropriate box in step 2.

VOTING DIRECTIONS

Resolutions

		For	Against	Abstain*
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – James Walker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of issue of SPP Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(a)	Ratification of issue of Tranche 1 Placement Shares - 84,980,122 Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(b)	Ratification of issue of Tranche 1 Placement Shares - 115,019,878 Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(a)	Approval to issue Tranche 2 Placement Shares - 3,625,000 Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(b)	Approval to issue Tranche 2 Placement Shares - 1,375,000 Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(c)	Approval to issue Tranche 2 Placement Shares - 1,000,000 Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Ratification of issue of 2020 Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Ratification of issue of 2019 Lead Manager Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9(a)	Approval of issue of Incentive Options - 6,000,000 Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9(b)	Approval of issue of Incentive Options - 12,000,000 Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9(c)	Approval of issue of Incentive Options - 6,000,000 Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Approval of issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Approval of issue of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

COVID-19: DIGITAL WINE VENTURES LIMITED ANNUAL GENERAL MEETING

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 and 9(a)-9(c), by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 and 9(a)-9(c).

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 1:00pm (AEDT) on 23 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033