

ASX RELEASE

28 October 2020

Dear Sir/Madam

4DS MEMORY LIMITED – UPCOMING ANNUAL GENERAL MEETING

4DS Memory Limited (ASX:4DS) (**Company**) will be holding its Annual General Meeting at 9:00 am (WST) on 30 November 2020 at Quest West Perth, Kings Park Room, 54 Kings Park Road, West Perth 6005 (the **Meeting**).

In accordance with temporary modifications to the *Corporations Act 2001* (Cth) under the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company is not sending hard copies of the Notice of Meeting to shareholders.

The Notice of Meeting can be viewed and downloaded from the website link set out below:

<http://www.4dsmemory.com/investors/asx-announcements>

Alternatively, a complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page.

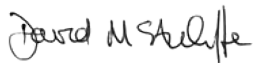
If you have nominated an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at <https://investor.automic.com.au/#/home>. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access any of the important Meeting documents online please contact the Company Secretary, Peter Webse, on +61 8 6377 8043 or via email at pwebse@governancecorp.com.au.

This letter is authorised for release by the Board of Directors of 4DS Memory Limited.

Yours faithfully



David McAuliffe
Executive Director

Contact information

Investors: David McAuliffe
4DS Memory
+61 408 994 313
david@4dsmemory.com

About 4DS

4DS Memory Limited (ASX: 4DS), with facilities located in Silicon Valley, is a semiconductor development company of non-volatile memory technology, pioneering Interface Switching ReRAM for next generation gigabyte storage in mobile and cloud. Established in 2007, 4DS owns a patented IP portfolio, comprising 26 USA patents granted and 6 patent applications pending and or filed, which has been developed in-house to create high-density Storage Class Memory. 4DS has a joint development agreement with Western Digital subsidiary HGST, a global storage leader, which accelerates the evolution of 4DS' technology. 4DS also collaborates with imec, a world-leading research and innovation hub in nanoelectronics and digital technologies. The combination of imec's widely acclaimed leadership in microchip technology and profound software and information and communication technology expertise makes them unique.

For more information, please visit www.4dsmemory.com.

Disclaimer

This release contains certain forward looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of 4DS to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which 4DS will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. To the full extent permitted by law, 4DS and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this release (including, but not limited to, any assumptions or expectations set out in the release).

You should not place undue reliance on these forward- looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward- looking statements.

4DS MEMORY LIMITED

ACN 145 590 110

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005 on Monday, 30 November 2020 at 9.00 am (WST).

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 6377 8043.



4DS MEMORY LIMITED

ACN 145 590 110

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of 4DS Memory Limited (**Company**) will be held at Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005 on Monday, 30 November 2020 at 9.00 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 November 2020 at 9.00 am (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 10.

AGENDA

Annual Report

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

1. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R of the Corporations Act and for all other purposes, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or

- (d) the person is the Chair voting an undirected proxy which expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr James Dorrian as a Director

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

"That Mr James Dorrian, who retires by rotation in accordance with Article 6.3(c) of the Constitution, and being eligible and offering himself for re-election, is re-elected as a Director."

3. Resolution 3 – Approval of 10% Placement Facility

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

"That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A."

4. Resolution 4 – Renewal of Proportional Takeover Provisions in Constitution

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

"That, for the purposes of Schedule 5 of the Constitution and section 648G of the Corporations Act, and for all other purposes, the Company renew the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this Resolution for a period of three years."

5. Resolution 5 – Authority to issue Shares to Mr Howard Digby in lieu of Director's fees

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 434,782 Shares to Mr Howard Digby (or his nominees) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Howard Digby and his nominees or a person 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 associates of those persons.

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

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

6. Resolution 6 – Authority to issue Shares to Mr James Dorrian in lieu of Director’s fees

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of up to 652,173 Shares to Mr James Dorrian (or his nominees) in lieu of Director’s fees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James Dorrian and his nominees or a person 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 associates of those persons.

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

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

7. Resolution 7 – Ratification of Prior Placement under Listing Rule 7.1 capacity

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 100,000,000 Shares to the Prior Placement Participants each at an issue price of \$0.045 on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Prior Placement Participants or any associates of those persons.

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

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

8. Resolution 8 – Approval to grant Director Options to Drs. Wilbert van den Hoek

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of 20,000,000 Director Options (each exercisable at \$0.064 on or before the date that is five years from the date of grant) to Drs.. Wilbert van den Hoek (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

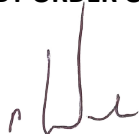
The Company will disregard any votes cast in favour of this Resolution by or on behalf of Drs.. Wilbert van den Hoek and his nominees and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

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

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

Dated 26 October 2020

BY ORDER OF THE BOARD



Mr Peter Webse
Company Secretary

4DS MEMORY LIMITED

ACN 145 590 110

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005 on Monday, 30 November 2020 at 9.00 am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

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 Resolutions 1, 5, 6 and 8 if:

- (a) the person is either:

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

However, the prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the Resolutions are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.4dsmemory.com or by contacting the Company on (08) 6377 8043.

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

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

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:

- (e) the content of the Auditor's Report; and
- (f) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more 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) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's last annual general meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting. In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

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

The Chair of the Meeting intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

5. Resolution 2 – Re-election of Mr James Dorrian as a Director

Article 6.3 of the Constitution requires that at the Company's Annual General Meeting in every year, one-third of the Directors (rounded down to the nearest whole number), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who have been Directors for the same period of time, those to retire shall be determined by lot (unless they agree otherwise).

A Director who retires by rotation under Article 6.3(b) of the Constitution is eligible for re-election.

Mr James Dorrian, being the Director longest in office since his last election, retires by rotation at this Meeting and, being eligible, seeks re-election.

Resolution 2 seeks Shareholder approval for the election of Mr Dorrian as a Director.

Mr Dorrian, BA (Economics & Communications), is a former partner at Crosspoint Venture Partners, a Silicon Valley based early stage venture capital firm. He has served as both CEO and Director of several Silicon Valley companies and has in depth M&A and IPO experience gained through founding and managing successful technology exits. Prior to these roles, Mr Dorrian was the Founder and CEO of Arbor Software and has held management roles with a number of

multinational IT companies. He is a founding member of the OLAP Council, an industry consortium for On-Line Analytical Processing.

The Board (excluding Mr Dorrian) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

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 securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its Annual General Meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes. Based on the closing price of the Company's Shares on ASX on 20 October 2020, the Company's market capitalisation is approximately \$84 million.

Resolution 3 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

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.

The exact 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).

The Company intends to continue the development activities relating to its Interface Switching ReRAM, to achieve its corporate and technical milestones and where it is appropriate to expand marketing efforts, accelerate specific technology development or capitalise on further opportunities. The Company may use the 10% Placement Facility for these purposes and for general working capital.

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 Directors believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

(b) Equity Securities

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 Company.

The Company, as at the date of the Notice, has one class of quoted Equity Securities, being the Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may, during the period of approval, 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:

- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued/agreed to be issued before the commencement of the relevant period; or the issues/agreement to issue the convertible securities was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
- plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the relevant period; or the agreement was approved or taken under the Listing Rules to have been approved under Listing Rules 7.1 or 7.4;
- plus the number of any other Shares issued in the relevant period with approval of holders of Shares under Listing Rule 7.1 or 7.4
- plus the number of partly paid shares that became fully paid in the relevant period;
- less the number of Shares cancelled in the relevant period.

Where the **relevant period** means the 12 month period preceding the date of the issue/agreement to issue the Equity Securities.

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

- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

6.3 Specific information required by Listing Rule 7.3A

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

- (a) Period for which 10% Placement Facility will be valid

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of the 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 the approval by shareholders 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).

- (b) Minimum price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days 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 subparagraph (i) above, the date on which the Equity Securities are issued.

- (c) Purpose of funds raised

The Company may only seek to issue the Equity Securities under the 10% Placement Facility for cash consideration. The Company intends to use the funds raised towards expanding or accelerating the Company's existing business activities including to further develop the Company's Interface Switching ReRam technology and for general working capital.

- (d) Risk of economic and voting dilution

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities in that class 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 those Equity Securities on the issue date,

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

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Potential Dilution		
		\$0.032 50% decrease in Issue Price	\$0.064 Issue Price	\$0.128 100% increase in Issue Price
Current Variable A 1,309,693,486 Shares	10% voting dilution	130,969,348	130,969,348	130,969,348
	Funds raised	\$4,191,019	\$8,382,038	\$16,764,076
50% increase in current Variable A 1,964,540,229 Shares	10% voting dilution	196,454,022	196,454,022	196,454,022
	Funds raised	\$6,286,528	\$12,573,057	\$25,146,114
100% increase in current Variable A 2,619,386,972 Shares	10% voting dilution	261,938,697	261,938,697	261,938,697
	Funds raised	\$8,382,038	\$16,764,076	\$33,528,153

The table has been prepared on the following assumptions:

- (v) The Company issues/agrees to issue the maximum number of Equity Securities available under the 10% Placement Facility.
- (vi) The issue/agreement to issue Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed

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

- (vii) No Options are exercised before the date of the issue/agreement to issue the Equity Securities.
- (viii) At the date of this Notice, there are currently 1,309,693,486 Shares on issue.
- (ix) Shareholders approve Resolution 7 ratifying the Prior Placement of 100,000,000 Shares and accordingly the Prior Placement Shares form part of variable 'A' .
- (x) The current market price is \$0.064, being the closing price of Shares on ASX on 20 October 2020.

Also note that in the table:

- (xi) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue/agreement to issue. This is why the voting dilution is shown in each example as 10%.
- (xii) 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. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (xiii) The table shows only the effect of issues/agreements to issue 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 for issues of Equity Securities under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients 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 purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

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

Further, if the Company is successful in acquiring new assets, technology or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets, technology or investments.

- (f) Previous issues under the 10% Placement Facility

In the 12 months preceding the date of the Meeting, the Company has not issued or agreed to issue any Equity Securities under the 10% Placement Facility.

- (g) Voting exclusion

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. No existing Shareholder's votes will therefore be excluded.

7. Resolution 4 – Renewal of Proportional Takeover Provisions in Constitution

7.1 General

Schedule 5 of the Constitution contains provisions dealing with proportional takeover bids for the Company's securities in accordance with the Corporations Act.

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

The Corporations Act permits a company's constitution to include provisions that enable it to refuse to register the transfer of securities acquired under a proportional takeover bid, unless shareholders approve the takeover bid. The provisions are designed to assist Shareholders to receive proper value for their securities if a proportional takeover bid is made for the Company. Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect.

Schedule 5 of the Constitution was last approved by Shareholders at the Company's 2017 AGM on 31 October 2017, but that approval will cease to have effect on 31 October 2020.

If Resolution 4 is approved by Shareholders, the proportional takeover provisions will be in exactly the same terms as the existing proportional takeover provisions and will have effect until 30 November 2023.

The Directors consider it is in the interests of Shareholders to continue to have proportional takeover provisions in the Constitution and, accordingly, Shareholders are requested to approve the renewal of the proportional takeover provisions contained in Schedule 5 of the Constitution with effect from the date of this Meeting for a further period of three years.

7.2 Information required by section 648G of the Corporations Act

For the purposes of section 648G of the Corporations Act, information regarding the proportional takeover bid provisions is provided as follows:

- (a) Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's securities (i.e. less than 100%).

- (b) Effect of proportional takeover bid provisions

If a proportional takeover bid is made, the Directors must ensure that a general meeting to approve the takeover bid is held more than 14 days before the last day of the bid period, at which Shareholders will consider a resolution to approve the takeover bid. Each Shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

(c) 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 then potentially 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. The proportional takeover 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.

(d) Knowledge of any acquisition proposals

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

(e) Potential advantages and disadvantages

The Directors consider that during the period in which the proportional takeover provisions have been in effect, the proportional takeover provisions have had no potential particular advantages or disadvantages for them or for Shareholders. During the time that the existing proportional takeover provisions have been in effect, there have been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Schedule 5 of the Constitution.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential advantages for the Directors, but do have some for Shareholders including:

- (i) Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
- (ii) the provisions may help Shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- (iii) the provisions may increase Shareholders' bargaining power and may help ensure that any proportional takeover bid is adequately priced; and
- (iv) knowing the view of the majority of Shareholders may help each individual Shareholder to decide whether to accept or reject the proportional offer.

The Directors consider that the proportional takeover approval provisions proposed to be renewed have no potential disadvantages for the Directors, but do have some for Shareholders including:

- (v) they may discourage proportional takeover bids being made for Shares in the Company;

- (vi) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that the renewal of the proportional takeover provision is in the interest of Shareholders. The Directors consider that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Board unanimously recommends the renewal of the proportional takeover provisions in the Constitution.

Resolution 4 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).

8. Resolutions 5 and 6 – Authority to issue Shares to Mr Howard Digby and Mr James Dorrian in lieu of Director's fees

8.1 General

The Company and each of Mr Howard Digby and Mr James Dorrian have agreed that, subject to Shareholder approval, they will take outstanding Director's fees owing to them totalling \$50,000 (in Shares rather than in cash, at the last sale price of Shares on the ASX as at 30 June 2020 (being a deemed issued price of \$0.046 per Share). The Board, in November 2016, approved the use of 30 June each year as the date to be used to determine the share price at which Director's fees owing would be converted into Shares.

The outstanding Director's fees owing to each of Mr Digby and Mr Dorrian are as follows:

- (a) Mr Digby - \$20,000 from the 2019 and 2020 financial years; and
- (b) Mr Dorrian - \$30,000 from the 2020 financial year.

It should be noted that (as announced to the ASX on 25 March 2020) both Mr Digby and Mr Dorrian agreed to forgo their Director's fees for the period from 1 April to 30 June 2020.

Resolutions 5 and 6 seek the required Shareholder approval to issue 434,782 Shares to Mr Digby (or his nominee) and 652,173 Shares to Mr Dorrian (or his nominees) (**Remuneration Shares**) under and for the purposes of 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:

- (c) a related party
- (d) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (30%+) holder in the company;
- (e) a person who is, or was at any time in the six months prior to the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the

board of the company pursuant to a relevant agreement which gives them the right or expectation to do so;

- (f) an associate of a person referred to in paragraphs (a) to (c) above; or
- (g) a person whose relationship with the company or a person referred to in a Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless the company obtains the approval of its shareholders.

Mr Digby and Mr Dorrian are each a related party of the Company by virtue of being Directors.

The issue of the Remuneration Shares to Mr Digby and Mr Dorrian (or their nominees) in lieu of Director's fees falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The issue of the Remuneration Shares therefore requires Shareholder approval under Listing Rule 10.11.

If Resolutions 5 and 6 are passed, the Company will issue the Remuneration Shares to Mr Digby and Mr Dorrian (or their nominees) in lieu of outstanding Director's fees as described above.

If Resolutions 5 and 6 are not passed, the Company will not issue the Remuneration Shares to Mr Digby and Mr Dorrian (or their nominees) in lieu of Director's fees and the Company must pay such Director's fees in cash immediately following the Meeting.

Resolutions 5 and 6 are ordinary resolutions.

8.2 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The Remuneration Shares will be issued to Mr Howard Digby and Mr James Dorrian (or their nominees) who are each a related party of the Company within the category of Listing Rule 10.11.1 by virtue of being a Director.
- (b) The maximum number of securities the Company may issue under Resolutions 5 and 6 is:
 - (i) 434,782 Remuneration Shares to Mr Howard Digby under Resolution 5; and
 - (ii) 652,173 Remuneration Shares to Mr James Dorrian under Resolution 6.
- (c) The Remuneration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Remuneration Shares may be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (e) The Remuneration Shares will be issued for nil cash consideration in lieu of Director's fees in the total amount of \$50,000. Accordingly no funds will be raised from the issue of the Remuneration Shares. The Shares will be issued for a deemed issue price of \$0.046 per Share (being the last sale price of Shares on the ASX as at 30 June 2020).

- (f) Mr Digby and Mr Dorrian are currently entitled to receive total annual remuneration packages as set out below:
 - (i) Mr Digby is entitled to receive \$30,000 per annum.
 - (ii) Mr Dorrian is entitled to receive \$40,000 per annum.
 - (g) A voting exclusion statement is included in the Notice.
-

9. Resolution 7 – Ratification of Prior Placement under Listing Rule 7.1 capacity

9.1 General

On 29 June 2020 the Company announced a placement of 100,000,000 Shares (**Prior Placement Shares**) each at an issue price of \$0.045 to raise \$4.5 million before costs (**Prior Placement**). Viriathus Capital Pty Ltd acted as lead manager to the Placement and was paid a 6% fee on the total funds raised under the Placement for acting in this role.

The Company completed the Prior Placement on 6 July 2020. The Prior Placement Shares were issued by the Company to the Prior Placement Participants using its annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

The funds raised from the issue of the Prior Placement Shares have or will be used to continue the development of the Company's Interface Switching ReRAM, including acceleration of work being performed at imec and HGST (Western Digital's 100% subsidiary), maintenance of granted patents and additional patent filings and general working capital purposes.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

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 (pursuant to Listing Rule 7.1 or the additional 10% capacity under Listing Rule 7.1A). 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 that rule.

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

Accordingly, Resolution 7 seeks Shareholder ratification of the issue of the Prior Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 7 is passed, the issue of the Prior Placement 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 date of issue of the Prior Placement Shares.

If Resolution 7 is not passed, the issue of the Prior Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of

Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Prior Placement Shares.

Resolution 7 is an ordinary resolution.

9.2 Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) On 6 July 2020, 100,000,000 Shares were issued pursuant to the Prior Placement.
- (b) The Prior Placement Shares were issued to various institutional and sophisticated investors in Australia and the USA being existing clients of Viriathus Capital Pty Ltd, none of whom are a related party of the Company. None of the investors who participated in the Prior Placement were material investors for the purposes of ASX guidance note 21 paragraph 7.2.
- (c) The Prior 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 Prior Placement Shares were issued at \$0.045 each.
- (e) The Prior Placement raised \$4.5 million (before costs). The funds raised from the issue of the Prior Placement Shares have or will be used to continue the development of the Company's Interface Switching ReRAM, including acceleration of work being performed at imec and HGST (Western Digital's 100% subsidiary), maintenance of granted patents and additional patent filings and general working capital purposes.
- (f) A voting exclusion statement is included in the Notice.

10. Resolutions 8 – Approval to grant Director Options to Drs.. Wilbert van den Hoek

10.1 General

As announced on 7 October 2020, Drs.. Wilbert van den Hoek will be appointed as a Director with effect from the conclusion of the Meeting.

The Company and Drs.. van den Hoek have agreed that, subject to Shareholder approval, Drs.. van den Hoek (or his nominee) will be granted 20,000,000 Director Options (each exercisable at \$0.064 on or before the date that is five years from the date of grant) for nil consideration as a long term incentive in connection with his role as a Non-executive Director. Based on the exercise price of the Director Options and the closing price of the Company's Shares on ASX on 20 October 2020 of \$0.064, the Director Options are currently at the money.

The Director Options will vest as follows:

- (a) 5,000,000 Director Options will vest following six months service to the Company; and
- (b) the remaining 15,000,000 Director Options will vest in 10 equal tranches (of 1,500,000 Director Options each) over the subsequent ten consecutive quarters.

The Director Options are otherwise on the terms and conditions in Schedule 1.

A summary of Listing Rule 10.11 is set out in Section 8.1.

Drs. van den Hoek is a related party of the Company because he will become a Director on conclusion of the Meeting on 30 November 2020.

The grant of Director Options to Drs. van den Hoek (or his nominee) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires Shareholder approval pursuant to Listing Rule 10.11.

Resolution 8 seeks the required Shareholder approval to the grant of Director Options to Drs. van den Hoek (or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolution 8 is passed, the Company will grant the Director Options to Drs. van den Hoek (or his nominee).

If Resolution 8 is not passed, the Company will not grant the Director Options to Drs. van den Hoek (or his nominee) and the Company will need to determine an alternative form of remuneration for Drs. van den Hoek.

Resolution 8 is an ordinary resolution.

10.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 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 Director Options to Drs. van den Hoek (or his nominee) pursuant to Resolution 8 constitutes the giving of a financial benefit and Drs. van den Hoek is a related party of the Company because he will become a Director on the conclusion of the Meeting on 30 November 2020.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Director Options to Drs. van den Hoek because the terms of the issue that were negotiated and agreed with Drs. van den Hoek would be reasonable in the circumstances if the Company and Drs. van den Hoek were dealing at arm's length. The Director Options form part of Drs. van den Hoek's remuneration package in agreeing to be appointed as a Director.

10.3 Information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The Director Options will be issued to Drs. van den Hoek (or this nominee).
- (b) Drs. van den Hoek is a related party of the Company within the category of Listing Rule 10.11.1 because he will become a Director on conclusion of the Meeting on 30 November 2020.
- (c) The maximum number of securities the Company may issue under Resolution 8 is 20,000,000 Director Options.

- (d) The Director Options are each exercisable at \$0.064 on or before the date that is five years from the date of grant. Full terms and conditions of the Director Options are set out in Schedule 1. Shares issued on exercise of the Director Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Options may be granted no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (f) The Director Options will be granted for nil consideration as they are being issued as incentive based remuneration. Accordingly, no funds will be raised from the grant of the Director Options.
- (g) Drs. van den Hoek will receive a total annual remuneration package of \$50,000 per annum (inclusive of superannuation) and will be entitled to receive a cash bonus payable upon a liquidity event subject to Drs. van den Hoek providing continuous service to the Company through to the time of the liquidity event.
- (h) A voting exclusion statement is included in the Notice.

11. Definitions

\$ means Australian Dollars.

10% Placement Facility has the meaning in Section 6.1

10% Placement Period has the meaning in Section 6.3(a).

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2020.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the chair of this Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means 4DS Memory Limited ACN 145 590 110.

Constitution means the existing constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Director Option means an Option exercisable at \$0.064 on or before the date that is five years from the date of grant and otherwise with the terms and conditions in Section 10.1.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Non-Executive Director means a non-executive director of the Company.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Prior Placement has the meaning given in Section 9.1.

Prior Placement Participants means various institutional and sophisticated investors in Australia and the USA introduced by Viriathus Capital Pty Ltd, none of whom are a related party of the Company.

Prior Placement Shares has the meaning given in Section 9.1.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Remuneration Shares has the meaning given in Section 8.1.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means Shares, Performance Shares and Options.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Australia.

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

Schedule 1 - Terms and Conditions of Director Options

The following is a summary of the terms and conditions of the Director Options (each an **Option**).

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

2. Exercise Price and Expiry Date

The Options each have an exercise price of A\$0.064 (**Exercise Price**).

As soon as practical after the Company's AGM on 30 November 2020 or another meeting to be called to approve the issue of the Options the Company will issue the Options (**Grant Date**). The Options have an expiry date of 5 years from the Grant Date (**Expiry Date**).

3. Vesting Dates

5,000,000 Options will vest on the date following the completion of six months of service to the Company by the Option holder from the Grant Date (**Initial Tranche Date**) and the remaining 15,000,000 Options will vest in tranches on the following dates:

- (i) 1,500,000 of the Options: the date 3 months from the Initial Tranche Date;
- (ii) 1,500,000 of the Options: the date 6 months from the Initial Tranche Date;
- (iii) 1,500,000 of the Options: the date 9 months from the Initial Tranche Date;
- (iv) 1,500,000 of the Options: the date 12 months from the Initial Tranche Date;
- (v) 1,500,000 of the Options: the date 15 months from the Initial Tranche Date;
- (vi) 1,500,000 of the Options: the date 18 months from the Initial Tranche Date;
- (vii) 1,500,000 of the Options: the date 21 months from the Initial Tranche Date;
- (viii) 1,500,000 of the Options: the date 24 months from the Initial Tranche Date;
- (ix) 1,500,000 of the Options: the date 27 months from the Initial Tranche Date; and
- (x) 1,500,000 of the Options: the date 30 months from the Initial Tranche Date,

unless the Board determines that the Options vest immediately upon grant.

4. Acceleration

(a) If, in the opinion of the Board:

- (i) the Company enters into a scheme of arrangement with its members or any class thereof pursuant to section 411 of the Corporations Act;
- (ii) a Takeover Period commences; or
- (iii) a person or a group of associated persons having a relevant interest in, subsequent to the grant of the Options, sufficient Shares to give it or them the ability in general meeting to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons,

(or the Board forms the view that one of those events is likely to occur) then the Board may declare an Option to be free of any conditions of exercise and/or vesting. Options which are so declared may be exercised at any time before they expire.

- (b) For the purposes of this item 4, a **Takeover Period** means in relation to a takeover bid in respect of Shares, the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the takeover period shall be deemed to have commenced at the time of that announcement.
- (c) If any person or corporation having a relevant interest in not less than 90% of the Shares of the Company issues a notice of meeting convening a meeting of shareholders in order to enter into a scheme of arrangement (pursuant to the provisions of the Corporations Act) which, if implemented would result in a person or corporation having a relevant interest in not less than 90% of the Shares, the Options will be free of any conditions of exercise and/or vesting and may be exercised at any time before they expire.

5. **Exercise Period**

- (a) All vested Options that have not yet been exercised expire on the Expiry Date.
- (b) All unvested Options will expire on termination of employment for any reason whatsoever, unless the Board makes a determination (in its absolute discretion) that:
 - (i) the employee's performance during the term; and
 - (ii) the circumstances of the termination of the employment,are such that all unvested Options on the date of termination will continue to vest according to the vesting schedule in Section 3 above and only expire on the Expiry Date.
- (c) An Option may only be exercised at any time after the applicable Vesting Date and prior to the date the Option expires under paragraph (a) above.

6. **Notice of Exercise**

- (a) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. 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 together with the full amount of the Exercise Price in cleared funds.
- (b) The Options may only be exercised in multiples of 1,000 on each occasion.

7. **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the then shares of the Company.

8. **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

9. **Timing of issue of Shares**

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

10. **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. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

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):

- (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 Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

12. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E[P - (S + D)]}{N + 1}$$

Where:

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

13. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

14. Options not quoted

The Company will not apply to ASX for quotation of the Options.

15. Options transferable

The Options are transferable by the holder provided that the transferee agrees with the holder and the Company to be bound to these terms and conditions prior to the transfer.

16. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.



4DS Memory Limited | ACN 145 590 110

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (WST) on Saturday, 28 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

