



## YPB Group Ltd

ACN 108 649 421

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### NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held via Zoom teleconference on Wednesday 26 May 2021 at 1:00pm (Sydney time).**

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*This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.*

*YPB Group Ltd (the Company) advises Shareholders that the Meeting will be held in compliance with any restrictions on public gatherings.*

*Due to the evolving COVID-19 situation, it may not be possible for Shareholders to physically attend the Meeting. As a result, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the Meeting in person. Proxy Forms for the Meeting should be lodged before 1:00pm (Sydney time) on Monday, 24 May 2021.*

The Company has made arrangements for Shareholders who wish to remotely participate in the Meeting via electronic means. Those Shareholders should contact the Company by email [investors@ypbsystems.com](mailto:investors@ypbsystems.com) or by phone at (08) 6555 2950 to obtain further details of how to participate and vote at the Meeting by no later than 1:00pm (Sydney time) on Wednesday, 19 May 2021.

*If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at <https://ypbsystems.com>*

*The business of the Meeting affects your shareholding and your vote is important. This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting*

*Note: An online poll will be called on all Resolutions being considered at this Meeting*

**Should you wish to discuss any matter please do not hesitate to contact the Company Secretary, Sebastian Andre, by telephone on 6555 2950**

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**YPB GROUP LIMITED**  
**ACN 108 649 421**

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of YPB Group Limited (**Company**) will be held via an online meeting platform on 26 May 2021 at 1:00pm (Sydney time) (**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 this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 5:00pm on Monday 24 May 2021 (Sydney time).

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

**AGENDA**

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**1. Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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**2. Resolution 1 – Remuneration Report**

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 section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report 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:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
  - (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.
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**3. Resolution 2 – Re-election of Director – Mr John Houston**

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 14.4 and Article 60.1 of the Constitution and for all other purposes, Mr John Houston, Director, retires and being eligible pursuant to Article 60.4 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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#### **4. Resolution 3 – Ratification of Prior Issue of Placement Shares and Options**

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 250,000,000 Placement Shares and 250,000,000 Placement Options issued pursuant to the Placement on the terms and conditions in the Explanatory Memorandum."*

##### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons that participated in the Placement (and/or their nominee(s)) or an associate of those persons in respect of which approval is sought.

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 this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

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#### **5. Resolution 4 – Ratification of Prior Issue of Shares and Options to EverBlu Capital Pty Ltd**

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 20,769,231 Adviser Shares and 57,692,308 Adviser Options to EverBlu Capital Pty Ltd on the terms and conditions in the Explanatory Memorandum."*

##### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of EverBlu Capital Pty Ltd or any associate of EverBlu Capital Pty Ltd.

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 this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
- (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

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## 6. Resolution 5 – Approval to Issue up to 950,000,000 Shares

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to 950,000,000 Shares on the terms and conditions in the Explanatory Memorandum (**Proposed Share Issue**)."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by or on behalf of a person who is expected to participate in the issue of Shares, or who will obtain a material benefit as a result of the issue of Shares (except a benefit solely by reason of being a Shareholder) or any associate 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 this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Note: the proposed allottees of any Shares issued under Resolution 5 is not as yet known or identified. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1, as at the date of this Notice it is not known who may participate in the Proposed Share Issue (if any). Accordingly, no Shareholders are currently excluded from voting on this Resolution 5.

For the avoidance of doubt, to the extent that the Directors believe that a Shareholder may participate in the Proposed Share Issue, that Shareholder's vote on this Resolution will be disregarded. In addition, a person who has voted in favour of this Resolution will not be entitled to participate in the Proposed Share Issue.

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## 7. Resolution 6 – Approval to Issue up to 950,000,000 Listed Options

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to 950,000,000 Listed Options on the terms and conditions set in the Explanatory Memorandum (**Proposed Option Issue**)."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by or on behalf of a person who is expected to participate in the issue of Listed Options, or who will obtain a material benefit as a result of the issue of Listed Options (except a benefit solely by reason of being a Shareholder) or any associate 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 this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Note: the proposed allottees of any Listed Options issued under Resolution 6 is not as yet known or identified. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1, as at the date of this Notice it is not known who may participate in the Proposed Issue (if any). Accordingly, no Shareholders are currently excluded from voting on this Resolution 6.

For the avoidance of doubt, to the extent that the Directors believe that a Shareholder may participate in the Proposed Option Issue, that Shareholder's vote on this Resolution will be disregarded. In addition, a person who has voted in favour of this Resolution will not be entitled to participate in the Proposed Option Issue.

## 8. Resolution 7 – Approval of Employee Incentive Plan

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

*"That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13) and for all other purposes, Shareholders approve the Employee Incentive Plan (**Plan**) and the grant of Incentive Securities and the issue of underlying securities under the Plan, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Plan and an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on Resolution 7 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such members. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if Resolution 7 is connected with the remuneration of a member of the Key Management Personnel.

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## 9. Resolution 8 – Adoption of New Constitution

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

*"That, pursuant to and in accordance with section 136 of the Corporations Act and for all other purposes, the Company repeal its current Constitution and adopt the New Constitution tabled at the Meeting with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum."*

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## 10. Resolution 9 – Approval for 10% Placement Capacity

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

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

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person (and/or their nominee(s)) who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity Securities under Listing Rule 7.1A (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or 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 this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson 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 Shareholder that the beneficiary is not excluded from voting, and is not an associated of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

*Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 9 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 9.*

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## 11. Resolution 10 – Spill Resolution (Conditional Resolution)

If 25% or more of votes cast on Resolution 1 are against the adoption of the 2020 Remuneration Report, to consider, and if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, pursuant to and in accordance with section 250V of the Corporations Act and for all other purposes, Shareholders approve:*

- (a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this Resolution;*
- (b) all of the Directors who were Directors of the Company when the Resolution to make the Directors’ Report for the year ended 31 December 2020 was passed (other than the Managing Director), and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”*

**Voting Exclusion**

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:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

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**BY ORDER OF THE BOARD**

Sebastian Andre

**Company Secretary**

Dated: 19 April 2021

## **EXPLANATORY MEMORANDUM**

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### **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 conducted via Zoom teleconference held on Wednesday 26 May 2021 commencing at 1:00pm (Sydney time).

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

This 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 – Mr John Houston
Section 6:	Resolution 3 – Ratification of Prior Issue of Placement Shares and Options
Section 7:	Resolution 4 – Ratification of Prior Issue of Shares and Options to EverBlu Capital Pty Ltd
Section 8:	Resolution 5 – Approval to Issue up to 950,000,000 Shares
Section 9:	Resolution 6 – Approval to Issue up to 950,000,000 Listed Options
Section 10:	Resolution 7 – Approval of Employee Incentive Plan
Section 11:	Resolution 8 – Adoption of New Constitution
Section 12:	Resolution 9 – Approval for 10% Placement Capacity
Section 13:	Resolution 10 – Spill Resolution (Conditional Resolution)
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Listed Options
Schedule 3:	Summary of Employee Incentive Plan
Schedule 4:	Summary of New Constitution

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

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

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

#### **2.1 Proxies**

A Proxy Form is enclosed with 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 set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.



Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 1:00pm (Sydney time) on Monday 24 May, being at least 48 hours before the Meeting.

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

## **2.2 Attendance at the Meeting**

The Company advises Shareholders that the Meeting will be held in compliance with the any government's restrictions on public gatherings.

Due to the evolving COVID-19 situation, the Company strongly encourages all Shareholders to vote by proxy rather than attend the meeting in person. Proxy Forms for the meeting should be lodged before 1:00pm (Sydney time) on Monday, 24 May 2021.

The Company has made arrangements for Shareholders who wish to remotely participate in the Meeting via electronic means. Those Shareholders should contact the Company by email at [investors@ypbsystems.com](mailto:investors@ypbsystems.com) or by phone at (08) 6555 2950 to obtain further details of how to participate and vote at the Meeting by no later 10:00 am (Sydney time) on 19 May 2021.

Shareholders can also submit any questions in advance of the Meeting by emailing the questions to [investors@ypbsystems.com](mailto:investors@ypbsystems.com) by no later than 10:00 am (Sydney time) on 19 May 2021.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at <https://ypbsystems.com>

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## **3. Annual Report**

In accordance with section 317(1) of the Corporations Act, the Annual Report for the financial year ended 31 December 2020 must be laid before the Meeting.

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

- (a) discuss the Annual Report which is available online at [www.ypbsystems.com](http://www.ypbsystems.com);
- (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 Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents 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 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## **4. Resolution 1 – Remuneration Report**

In accordance with section 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:

- (a) the Company's remuneration policy; and

- (b) the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 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.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive AGMs.

If a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM, 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.

The Company's Remuneration Report received a Strike at the 2019 AGM. Please note, if the Remuneration Report (Resolution 1) receives a Strike at this Meeting, then this may result in the re-election of the Board if Resolution 9 in this Notice is passed. Refer to Section 6 for further details.

The Chairperson 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.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **5. Resolution 2 – Re-election of Director – Mr John Houston**

### **5.1 General**

Article 60.1 of the Constitution requires one third of the Directors (rounded down to the nearest whole number) to retire at each annual general meeting where the Company has three or more Directors.

Article 60.4 of the Constitution states that a Director who retires from office under Article 60.1 of the Constitution is eligible for re-election.

Accordingly, Resolution 2 provides that Mr John Houston will retire by rotation at this Meeting and, being eligible, seeks re-election as a Director.

Details of the qualifications and experience of Mr John Houston are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

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

### **5.2 Board Recommendation**

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

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## **6. Resolution 3 – Ratification of Prior Issue of Placement Shares and Options Issued**

### **6.1 Background**

On 1 March 2021, the Company announced that it had received commitments to raise \$750,000 through a placement to institutional, professional and sophisticated investors through the issue of 250,000,000 Shares at \$0.003 per Share together with one free attaching Listed Option for every

Share issued under the placement, exercisable at \$0.005 per Option, expiring on 23 February 2022 (**Placement**).

EverBlu Capital Pty Ltd acted as corporate advisor and lead manager to the Placement and received a 6% fee on the gross amount raised as well as 20,769,231 Shares and 57,692,308 Options (under the same terms of the Placement).

Refer to the Company's announcement released on ASX on 1 March 2021 for further details of the Placement.

## **6.2 General**

Resolution 3 seeks approval from Shareholder to ratify the prior issue of 250,000,000 Shares (**Placement Shares**) and 250,000,000 Listed Options (**Placement Options**).

The Placement Shares and Placement Options were issued using the Company's existing placement capacity under Listing Rule 7.1.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

## **6.3 Listing Rules 7.1 and 7.4**

In accordance with Listing Rule 7.1, the 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.

The issue of the Placement Shares and Placement Options does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by Shareholders, effectively uses up part of the Company's 15% limit under Listing Rule 7.1 reducing the Company's placement capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue of the Placement Shares and Placement Options.

Listing Rule 7.4 provides that if the Company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of the Placement Shares and Placement Options did not breach Listing Rule 7.1.

The effect of passing Resolutions 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future of up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, the Placement Shares and Placement Options 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 3 is not passed, the Placement Shares and Placement Options 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 issue date.

Resolution 3 seeks to ratify the issue of 250,000,000 Placement Shares and 250,000,000 Placement Options issued under Listing Rule 7.1.

## **6.4 Specific Information Required by Listing Rule 7.5 – Placement Shares**

The following information in relation to the Placement Shares issued using the Company's placement capacity under Listing Rule 7.1 is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Placement Shares were issued to institutional, professional and sophisticated investors introduced to the Company to subscribe for the Placement Shares by the lead manager for the Placement, EverBlu Capital Pty Ltd, from existing shareholders of the Company and clients of EverBlu Capital Pty Ltd. None of the investors were Directors or related parties of the Company.
- (b) 250,000,000 Shares were allotted and issued, all being fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue.

- (c) The Placement Shares were issued on 11 March 2021.
- (d) The Placement Shares were issued on the same terms and conditions as the Company's existing Shares.
- (e) The issue price per Share was \$0.003 and the amount raised was \$750,000. The proceeds from the sale of the Placement Shares are being used for the technical development of the Company's Motif Micro, software development of the Company's CONNECT platform, business development, marketing costs and to pay for costs related to the Placement and for working capital and corporate purposes.
- (f) A voting exclusion statement is included in the Notice for this Resolution.

#### **6.5 Specific Information Required by Listing Rule 7.5 – Placement Options**

The following information in relation to the Placement Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Placement Options were issued to those institutional, sophisticated and professional investors who subscribed for the Placement Shares as free attaching Listed Options for every one Share issued under the Placement.
- (b) The Placement Options issued were 250,000,000 Listed Options.
- (c) A summary of the material terms of the Placement Options is in Schedule 2 of this Notice.
- (d) The issue of the Placement Options took place on 11 March 2021.
- (e) The Placement Options were issued for no consideration as they are issued as free attaching Options to the Placement Shares. No funds were raised from the issue of the Placement Options.
- (f) The Placement Options were free attaching Listed Options for the Placement Shares. The proceeds from the issue of the Placement Shares will be used for the purposes described in Section 6.4(e).
- (g) A voting exclusion statement is included in the Notice for this Resolution.

#### **6.6 Board Recommendation**

The Board recommends Shareholders vote in favour of Resolution 3.

## **7. Resolution 4 – Ratification of Prior Issue of Shares and Options to EverBlu Capital Pty Ltd**

### **7.1 General**

Resolution 4 seeks Shareholder approval for the issue of 20,769,231 Shares each with an issue price of \$0.003 per Share (**Adviser Shares**) and 57,692,308 Listed Options each with an exercise price of \$0.005 and expiring 23 February 2022 (**Adviser Options**) to EverBlu Capital Pty Ltd.

The Adviser Shares and Adviser Options were issued under the Company's existing placement capacity under Listing Rule 7.1.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.1 and 7.4**

A summary of Listing Rule 7.1 and 7.4 is contained in Section 6.3.

The issue of the Adviser Shares and Adviser Options does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by Shareholders, effectively uses up part of the Company's 15% limit under Listing Rule 7.1 reducing the Company's placement capacity to issue

further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue of the Adviser Shares and Adviser Options.

If Resolution 4 is passed, the Adviser Shares and Adviser Options 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 Adviser Shares and Adviser Options 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 issue date.

Resolution 4 seeks to ratify the issue of 20,769,231 Adviser Shares and 57,692,308 Adviser Options issued under Listing Rule 7.1.

### **7.3 Specific Information Required by Listing Rule 7.5 – Adviser Shares**

The following information in relation to the Adviser Shares issued using the Company's placement capacity under Listing Rule 7.1 is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Adviser Shares were issued to EverBlu Capital Pty Ltd. EverBlu Capital Pty Ltd is not a related party of the Company.
- (b) 20,769,231 Shares were allotted and issued, all being fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue.
- (c) The Adviser Shares were issued on 11 March 2021.
- (d) The Adviser Shares were issued for no consideration. No funds were raised from the issue of the Adviser Shares.
- (e) The Adviser Shares were issued on the same terms and conditions as the Company's existing Shares.
- (f) The issue price per Share was \$0.003. The Adviser Shares were issued to EverBlu Capital Pty Ltd as payment for their corporate advisory and lead manager roles in relation to the Placement.
- (g) The Company entered into an arrangement with EverBlu Capital Pty Ltd whereby it agreed to act as corporate advisor and lead manager for the Company's Placement announced on 1 March 2021. Pursuant to this arrangement, the Company agreed to issue 20,769,231 Adviser Shares at \$0.003 per Share and 57,692,308 Adviser Options with an exercise price of \$0.005 and expiring 23 February 2022. The Company also agreed to pay EverBlu Capital Pty Ltd a 6% fee on the gross amount raised in the Placement.
- (h) A voting exclusion statement is included in the Notice for this Resolution.

### **7.4 Specific Information Required by Listing Rule 7.5 – Adviser Options**

The following information in relation to the Adviser Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Adviser Options were issued to EverBlu Capital Pty Ltd as free attaching quoted Options for every one Adviser Share issued.
- (b) The Adviser Options issued were 57,692,308 Options.
- (c) A summary of the material terms of the Adviser Options is in Schedule 2 of this Notice.
- (d) The issue of the Adviser Options took place on 11 March 2021.
- (e) The Adviser Options were issued for no consideration as they are issued as free attaching Listed Options to the Adviser Shares. No funds were raised from the issue of the Adviser Options.
- (f) The Adviser Options were free attaching Listed Options for the Adviser Shares. No funds were raised from the issue of the Adviser Options.
- (g) The Company entered into an arrangement with EverBlu Capital Pty Ltd whereby it agreed to act as corporate advisor and lead manager for the Company's Placement announced on 1 March 2021. Pursuant to this arrangement, the Company agreed to issue 20,769,231 Adviser Shares at \$0.003 per Share and 57,692,308 Adviser Options with an exercise price

of \$0.005 and expiring 23 February 2022. The Company also agreed to pay EverBlu Capital Pty Ltd a 6% fee on the gross amount raised in the Placement.

(h) A voting exclusion statement is included in the Notice for this Resolution.

## 7.5 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 4.

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## 8. Resolution 5 – Approval to Issue up to 950,000,000 Shares

### 8.1 Background

Resolution 5 seeks Shareholder approval under Listing Rule 7.1 for the issue of up to 950,000,000 Shares (**Proposed Shares**) (**Proposed Share Issue**)

The issue price for the Proposed Shares will not be less than 80% of the 5 day VWAP.

The effect of the Proposed Share Issue on the capital structure of the Company, assuming all of the Proposed Shares are issued, is as follows:

<b>Shares on issue as at the date of this Notice</b>	4,991,820,518
<b>Shares to be issued pursuant to the Proposed Share Issue</b>	950,000,000
<b>Total Shares on completion of the Proposed Share Issue</b>	5,941,820,518

### 8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 6.3.

The issue of the Proposed Shares does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by Shareholders, effectively uses up part of the Company's 15% limit under Listing Rule 7.1 reducing the Company's placement capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue of the Proposed Shares.

Resolution 5 seeks Shareholder approval for the issue of up to 950,000,000 Shares under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the issue of the Proposed Shares can proceed without using any of the Company's 15% placement capacity on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Proposed Shares and would have to rely on the 15% placement capacity to have any Proposed Shares or alternate funding options to raise additional funding for its business operations described in Section 8.3(e).

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

### 8.3 Specific Information Required by Listing Rule 7.3

The following information in relation to the Proposed Shares is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Directors intend that the Proposed Shares will be issued to institutional, professional and sophisticated investors who are not related parties of the Company. The Company has not determined who will be issued any Proposed Shares and this will be determined by the Company and its lead manager (if any) assisting with the Proposed Share Issue.
- (b) Up to 950,000,000 Shares will be issued. All Proposed Shares will be fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue.
- (c) The Proposed Shares will be issued no later than three months following the date of the Meeting.

- (d) The issue price per Proposed Share will be calculated using the 5 day VWAP for Shares. The table below provides examples of the funds that may be raised under the Proposed Share Issue, assuming all 950,000,000 Shares are issued:

<b>Issue Price (\$ per Share)</b>	<b>Funds Raised</b>
\$0.0015 <i>(Current Share Price decreased by 50%)</i>	\$1,425,000
\$0.003 <i>(current share price at the time of preparing this notice (<b>Current Share Price</b>))</i>	\$2,850,000
\$0.0045 <i>(Current Share Price increased by 50%)</i>	\$4,275,000

- (e) The proceeds from the Proposed Share Issue will be used for the technical development of the Company's Motif Micro, software development of the Company's CONNECT platform, business development, marketing costs and to pay for costs related to the Proposed Share Issue and for working capital and corporate purposes.
- (f) A voting exclusion statement is included in the Notice for this Resolution.

#### **8.4 Board Recommendation**

The Board recommends Shareholders vote in favour of Resolution 5.

## **9. Resolution 6 – Approval to Issue up to 950,000,000 Listed Options**

### **9.1 Background**

Resolution 6 seeks Shareholder approval under Listing Rule 7.1 for the issue of up to 950,000,000 Listed Options (**Proposed Options**) (**Proposed Option Issue**).

The effect of the Proposed Option Issue on the capital structure of the Company, assuming all of the Proposed Options are issued, is as follows:

<b>Options on issue as at the date of this Notice</b>	2,100,700,210 <sup>(1)</sup>
<b>Options to be issued pursuant to the Proposed Option Issue</b>	950,000,000
<b>Total Shares on completion of the Proposed Share Issue</b>	3,050,700,210

Notes:

(1) Comprising 2,036,700,210 quoted options (ASX:YPBOB) and 64,000,000 unquoted options with various exercise prices between \$0.35-\$0.65 per option on or before 12 December 2026.

### **9.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in Section 6.3.

The issue of the Proposed Options does not fall within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by Shareholders, effectively uses up part of the Company's 15% limit under Listing Rule 7.1 reducing the Company's placement capacity to issue further Equity Securities

without Shareholder approval under Listing Rule 7.1 for the 12 months following the issue of the Proposed Options.

Resolution 6 seeks Shareholder approval for the issue of up to 950,000,000 Listed Options under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the issue of the Proposed Options can proceed without using any of the Company's 15% placement capacity on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Proposed Options and would have to rely on the 15% placement capacity to have any Proposed Options or alternate funding options to raise additional funding for its business operations described in Section 8.3(e).

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

### **9.3 Specific Information Required by Listing Rule 7.3**

The following information in relation to the Proposed Options is provided to Shareholders for the purposes of Listing Rule 7.3.

- (a) The Directors intend that the Proposed Options will be issued to institutional, professional and sophisticated investors who are not related parties of the Company. The Company has not determined who will be issued any Proposed Options and this will be determined by the Company and its lead manager (if any) assisting with the Proposed Option Issue.
- (b) Up to 950,000,000 Listed Options will be issued. All Listed Options will rank equally with all other Listed Options on issue.
- (c) A summary of the material terms of the Proposed Options is in Schedule 2 of this Notice.
- (d) The Proposed Options will be issued no later than three months following the date of the Meeting.
- (e) The Proposed Options will be issued for no consideration. No funds will be raised from the issue of the Proposed Options. The Proposed Options will be in connection with any capital raising conducted by the Company in the future, either as free Listed Options or free attaching Listed Options to Shares. Any funds raised upon exercise of the Proposed Options will be used for the technical development of the Company's Motif Micro, Software development of the Company's CONNECT platform, business development, marketing costs and to pay for costs related to the Placement and for working capital and corporate purposes.
- (f) A voting exclusion is included in the Notice for this Resolution.

### **9.4 Board Recommendation**

The Board recommends Shareholders vote in favour of Resolution 6.

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## **10. Resolution 7 – Approval of Employee Incentive Plan**

### **10.1 General**

Resolution 7 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to adopt the Employee Incentive Plan and to enable Shares, Performance Rights, Options and Shares upon exercise or conversion of those Performance Rights and Options to be issued under the Plan to eligible Directors, employees and contractors (**Incentive Securities**) to be exempted from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 7 is passed.

A summary of the Plan, to be adopted pursuant to Resolution 7, is set out in Schedule 3.

No Directors will receive securities pursuant to this Resolution. For the avoidance of doubt, the Company must seek separate Shareholder approval under Listing Rule 10.14 in respect of any future issues Incentive Securities under the Employee Incentive Plan to a Director or any other related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.



The Plan is intended to assist the Company to attract and retain key staff, whether Directors, employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

If Resolution 7 is passed, the Company will be able to issue Incentive Securities to eligible Directors, employees and contractors under the Plan without using up any of the Company's 15% placement capacity under Listing Rule 7.1. However, the Company will be required to seek Shareholder approval for the issue of any Incentive Securities issued under the Plan to eligible Directors pursuant to Listing Rule 10.14.

If Resolution 7 is not passed, the Company may still issue Incentive Securities to eligible Directors, employees and contractors under the Plan but any issue will reduce, to that extent, the Company's 15% placement capacity under Listing Rule 7.1 for 12 months following the issue. However, the Company will be required to seek Shareholder approval for the issue of any Incentive Securities issued under the Plan to eligible Directors pursuant to Listing Rule 10.14.

Resolution 7 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

## **10.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 13**

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 convert to equity (such as an Option or Performance Right), 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 7.2, Exception 13 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of Incentive Securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

## **10.3 Specific Information Required by Listing Rule 7.2**

In accordance with Listing Rule 7.2, Exception 13, the following information is provided as follows:

- (a) A summary of the material terms of the Plan is disclosed in Schedule 3.
- (b) This is the first approval sought under Listing Rule 7.2, Exception 13 with respect to the Plan.
- (c) No Incentive Securities have been issued under the Plan.
- (d) The maximum number of Incentive Securities proposed to be issued under the Plan following Shareholder approval is 499,182,051, being 10% of the total number of Shares on issue at the date of this notice.
- (e) A voting exclusion statement is included in the Notice for Resolution 7.

#### **10.4 Directors' Recommendation**

The Directors are excluded from voting on this Resolution as they are eligible to participate in the Plan. Accordingly, the Directors decline to make a recommendation to Shareholders on this Resolution.

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### **11. Resolution 8 – Adoption of New Constitution**

#### **11.1 Background**

Since the Company adopted its current Constitution, there have been changes to the Corporations Act, the Listing Rules and other regulatory requirements. There have also been developments in corporate governance practices and policies. The Directors believe it is desirable to update the Constitution to reflect current corporate practice and to ensure it is in line with the present legislation and regulatory requirements in Australia. Rather than make numerous piecemeal amendments to the current Constitution, the Directors believe that it is preferable to repeal the current Constitution and replace it with a new constitution (**New Constitution**).

A copy of the New Constitution is available on request from the Company.

#### **11.2 General**

Resolution 8 seeks Shareholder approval for the repeal of the Constitution and adoption of the New Constitution in accordance with section 136 of the Corporations Act.

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 8 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).

Resolution 8 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 Chairperson intends to exercise all available proxies in favour of Resolution 8.

#### **11.3 Summary of New Constitution**

The key provisions of the New Constitution are summarised in Schedule 4.

#### **11.4 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

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### **12. Resolution 9 – Approval for 10% Placement Capacity**

#### **12.1 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.

Listing Rule 7.1A enables eligible entities 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 Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be

issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.

If Resolution 9 is passed, the effect will be that the Company will be able to issue Equity Securities under the 10% Placement Capacity in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 9 is not passed, the effect will be that the Company will not be able to issue any Equity Securities under the 10% Placement Capacity and will have to rely upon its 15% placement capacity under Listing Rule 7.1 for the issue of Equity Securities.

Resolution 9 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 Chairperson intends to exercise all available proxies in favour of Resolution 9.

## 12.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity 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 Capacity 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 on issue one quoted class of Equity Securities, being Shares.

### (c) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17),
- (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:
  - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
  - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (iii) plus the number of fully paid ordinary securities in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:
  - (A) the agreement was entered into before the commencement of the relevant period; or
  - (B) the agreement or issue was approved or taken under these rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4,
- (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under

an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1),

(v) plus the number of partly paid ordinary securities that became fully paid in the 12 months;

(vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is 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 12 months where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 4,991,820,518 Shares and therefore has a capacity to issue:

(i) 748,773,077 Equity Securities under Listing Rule 7.1; and

(ii) subject to Shareholder approval being sought under Resolution 9, 499,182,051 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades 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.

(f) **10% Placement Period**

(i) Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

(A) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.

(B) The time and date of the entity's next annual general meeting.

(C) 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),

**(the 10% Placement Period).**

### 12.3 Effect of Resolution

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### 12.4 Specific Information Required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in Section 12.2(f).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; 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.
- (c) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, 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 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.
- (d) The below table 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 the Notice.
- (e) The table also shows:
  - (i) 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
  - (ii) 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 7.1A.2		Issue Price		
		\$0.0015 50% decrease in Current Share Price	\$0.003 Current Share Price	\$0.006 100% increase in Current Share Price
<b>Current Variable A 4,991,820,518 Shares</b>	Shares issued 10% voting dilution	499,182,052	499,182,052	499,182,052
	Funds raised	\$748,773	\$1,497,546	\$2,995,092
<b>50% decrease in current Variable A 7,487,730,777 Shares</b>	Shares issued 10% voting dilution	748,773,078	748,773,078	748,773,078
	Funds raised	\$1,123,160	\$2,246,319	\$4,492,638

<b>100% increase in Variable A 9,983,641,036 Shares</b>	Shares issued 10% voting dilution	998,364,104	998,364,104	998,364,104
	Funds raised	\$1,497,546	\$2,995,092	\$5,990,185

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
  - (ii) No Performance Rights or Options are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (iii) 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%.
  - (iv) 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 Capacity, based on that Shareholder's holding at the date of the Meeting.
  - (v) 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.
  - (vi) The issue of Equity Securities under the 10% Placement Capacity 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) The issue price is \$0.003, being the closing price of the Shares on ASX on 16 April 2021. The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue Equity Securities for cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investments in new businesses (if any), the costs incurred in undertaking placement(s) of Securities under Listing Rule 7.1A and for general working capital.
  - (g) The Company will only issue the Listing Rule 7.1A Shares during the 10% Placement Period. The approval under Resolution 9 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
  - (h) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
  - (i) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers 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) the financial situation and solvency of the Company; and
    - (iv) advice from corporate, financial and broking advisers (if applicable).
  - (j) The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.

- (k) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the AGM held on 22 July 2020. The approval granted on 22 July 2020 will cease to be valid as at the date of this AGM.
- (l) During the 12-month period preceding the proposed date of the Meeting, being on and from 22 July 2020, the Company issued a total of 212,014,155 Equity Securities under Listing Rule 7.1A which represents approximately 11.18% of Equity Securities on issue at the commencement of the 12 months preceding the date of this Meeting. Further details of the issue of Equity Securities under Listing Rule 7.1A during the 12-month period preceding the proposed date of the Meeting are set out in the table below:

Issue date	Quantity and class	Persons issued to or basis of issue	Issue price	Consideration and use of funds
21 October 2020	212,014,155 Shares	Sophisticated and professional investors who participated in the placement announced on 21 October 2020	\$0.00283 per Share	\$600,000 cash. Funds raised formed part of the Company's cash balance which was used for the technical development of the Company's Motif Micro and the Connect Platform technologies, business development, marketing costs and to pay for costs related to the October Placement and for general working purposes.

- (m) A voting exclusion statement is included in the Notice for Resolution 9. However as at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

## 12.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

## 13. Resolution 10 – Spill Resolution (Conditional Resolution)

### 13.1 General

As discussed above at Section 4, in accordance with section 250V of the Corporations Act, if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive AGMs, the Company must put to vote at the second annual general meeting a resolution (**Spill Resolution**) on whether 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.

The Company's Remuneration Report received a Strike at the 2019 AGM meeting. If Resolution 1 receives a 'no' vote of 25% or more at the Meeting, this will constitute a second Strike and Resolution 10 will be voted on.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting. All of the Company's Directors who were in office when the resolution to approve the Directors' Report for the financial year ended 31 December 2020 was passed other than the Managing Director of the Company (**Spilled Directors**) will cease to hold office immediately before the end of the Spill Meeting, but may stand for reappointment. Shareholders will vote on the reappointment of Spilled Directors and/or election of new Directors at the Spill Meeting.

In accordance with section 250X of the Corporations Act, if there would be fewer than 3 Directors after the Spill Meeting, two positions will be filled by Directors or Spilled Directors who have the highest percentage of votes favouring appointment.

Resolution 10 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against Resolution 10.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 10, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A voting exclusion statement is included in the Notice for Resolution 10.

### **13.2 Board Recommendation**

The Board recommends that Shareholders vote 'AGAINST' this Resolution 10.



## Schedule 1 - Definitions

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

**\$** means Australian Dollars.

**10% Placement Capacity** has the meaning set out in section 12.1.

**10% Placement Period** has the meaning set out in section 12.2.

**Adviser Options** has the meaning given to that term in Section 7.1.

**Adviser Shares** has the meaning given to that term in Section 7.1.

**AGM** means an annual general meeting of the Shareholders.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 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** means the Company's auditor from time to time (being Deloitte as at the date of the Notice).

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

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

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** or **YPB** means YPB Group Limited ACN 108 649 421.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Current Share Price** has the meaning given to that term in Section 8.3.

**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.

**Eligible Entity** as defined in the Listing Rules.

**Equity Securities** as defined in the Listing Rules.

**Explanatory Memorandum** means this 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.

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

**Listed Option** means an Option quoted on the ASX and on the terms and conditions in Schedule 2 and trading under the code YPBOB.

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

**Managing Director** means the Managing Director of the Company.

**Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

**New Constitution** means the proposed new constitution of the Company.

**Notice** means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Incentive Securities** has the meaning given to that term in Section 10.1.

**Options** means an option to acquire a Share.

**Performance Right** means a performance right which upon satisfaction of criteria and/or vesting conditions confers an entitlement to be provided with one Share.

**Placement** has the meaning given to that term in Section 6.1.

**Placement Options** has the meaning given to that term in Section 6.2.

**Placement Shares** has the meaning given to that term in Section 6.2.

**Plan** has the meaning given to that term Resolution 7.

**Proposed Option Issue** has the meaning given to that term in Resolution 6.

**Proposed Options** has the meaning given to that term in Section 9.1.

**Proposed Share Issue** has the meaning given to that term in Resolution 5.

**Proposed Shares** has the meaning given to that term in Section 8.1.

**Proxy Form** means the proxy form enclosed with the Notice.

**Related Party** as defined in the Listing Rules.

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

**Resolution** means a resolution proposed pursuant to the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Securities** as defined in the Listing Rules.

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

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

**Spill Meeting** has the meaning given to that term in Resolution 10.

**Spilled Directors** has the meaning given to that term in the Section 13.1.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Sydney time** means the time in Sydney, New South Wales.

**VWAP** means volume weighted average price.

## Schedule 2 – Terms & Conditions of the Listed Options

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The terms and conditions of the proposed listed options are as follows:

### 1 Entitlement

Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share upon exercise.

### 2 Exercise Price, Expiry Date and Vesting Conditions

Option	Exercise Price per Option	Expiry Date
Listed Options (ASX Code: YPBOB) – Placement Options, Adviser Options and Proposed Options	A\$0.005	23 February 2022

### 3 Exercise Price

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

### 4 Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for 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.

### 5 Minimum Exercise Price

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

### 6 Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

### 7 Quotation of Shares

If admitted to the official list of ASX at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

### 8 Timing of Issue of Shares and Quotation of Shares on Exercise

Within 5 Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, 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 Option Exercise Form and for which cleared funds have been received by the Company; and
- (b) 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.

## **9 Participation in new issues**

A Holder who holds Options is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

## **10 Adjustment for bonus issue 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 Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## **11 Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

## **12 Adjustment for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

## **13 Quotation of Options**

The Options are a listed class of options.

## **14 Options transferable**

The Options are transferrable subject to compliance with the Corporations Act.

## **15 Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

## **Schedule 3 – Summary of Employee Incentive Plan**

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The terms of the Employee Incentive Plan (**Plan**) are summarised below. A copy of the Plan can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Plan.

### **1. Eligible Employees**

The eligible participants under the Plan are Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan; or any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan. For the purposes of the Plan, "Employee" means an employee or other consultant or contractor of the Company, or any member of the Group.

In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Shares, Options or Performance Rights.

### **2. Limits on Entitlement**

An Offer of Shares, Options or Performance Rights may only be made under the Plan if the number of Shares that may be issued or Shares acquired on exercise of the Options or Performance Rights when aggregated with the number of Shares issuable if each outstanding Option and Performance Rights were exercised and the number of Shares issued pursuant to the Plan or any other Group employee incentive scheme during the previous 3 years does not exceed 10% of the total number of Shares on issue at the time of the proposed issue.

The maximum allocation and allocated pool may be increased by Board resolution, provided such an increase complies with the Listing Rules.

### **3. Individual Limits**

The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

### **4. Offer and Conditions**

An Offer must be set out in an Offer Letter delivered to an Eligible Employee. The Offer Letter may specify (as determined by the Board):

- (i) the number of Shares, Options or Performance Rights;
- (ii) the conditions on the Offer (Offer Conditions);
- (iii) the grant date;
- (iv) the fee payable by the Eligible Employee on the grant of Options or Performance Rights (if any);
- (v) the performance criteria (if any);
- (vi) the vesting conditions (if any);
- (vii) the exercise price (if any);
- (viii) the exercise period (if applicable);
- (ix) the period in which the performance criteria must be satisfied (if applicable); and
- (x) the expiry date and term (if applicable).

### **5. Consideration Payable**

Shares, Options and Performance Rights will be issued for nil consideration.

## **6. Cashless Exercise**

Under the Plan, a Participant may elect to pay the exercise price for each Option by setting off the total exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off.

## **7. Lapse of Options and Performance Rights**

Subject to the Board's discretion, Options and Performance Rights shall automatically be cancelled for no consideration where:

- (i) the Participant ceases to hold employment or office with the Company or Group member (except where the Participant is a Good Leaver);
- (ii) the Participant is determined to have engaged in Fraudulent or Dishonest Conduct (described below);
- (iii) the applicable performance criteria and/or vesting conditions are not achieved by the relevant time;
- (iv) the Board determines, in its reasonable opinion, that the applicable performance criteria and/or vesting conditions have not been met or cannot be met within the relevant time;
- (v) the expiry date has passed;
- (vi) the Board determines that the Participant has brought the Group into disrepute or acted contrary to the interest of the Company or Group;
- (vii) the Participant has elected to surrender the Performance Rights or Options; and
- (viii) the Offer Letter provides for the cancellation of the Performance Rights or Options in any other circumstances.

## **8. Good Leaver**

A Good Leaver is a Participant who ceases employment or office with the Company or a Group Member and is determined by the Board to be a Good Leaver. Where a Participant who holds Incentive Securities becomes a Good Leaver:

- (i) all vested Options which have not been exercised will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Incentive Securities will lapse; and
- (ii) the Board may in its discretion permit unvested Incentive Securities held by the Good Leaver to vest, amend the vesting criteria applicable to the Incentive Securities, including Performance Criteria and/or Vesting Conditions or determine that the unvested Incentive Securities lapse.

## **9. Bad Leaver**

Where a Participant who holds Incentive Securities becomes a Bad Leaver all vested and unvested Incentive Securities will lapse. Where a Participant who holds Incentive Securities becomes a Bad Leaver the Board may determine to exercise the right to buy back any Shares issued upon exercise of an Option or conversion of a Performance Rights.

A Bad Leaver is a Participant who, unless the Board determines otherwise, ceases employment or office with the Company or a Group member for any circumstances which amount to Fraudulent or Dishonest Conduct (described below).

## **10. Fraudulent or Dishonest Conduct**

Where, in the opinion of the Board, a Participant or former Participant (which may include a Good Leaver) has engaged in Fraudulent or Dishonest Conduct the Board may deem all Incentive Securities

held by the Participant or former Participant to be automatically forfeited. Fraudulent or Dishonest Conduct means a Participant or former Participant:

- (i) acts fraudulently or dishonestly;
- (ii) wilfully breaches his or her duties to the Company or any member of the Group;
- (iii) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):
  - (A) brought the Company, the Group, its business or reputation into disrepute; or
  - (B) is contrary to the interest of the Company or the Group;
- (iv) commits any material breach of the provisions of any employment contract entered into by the Participant with any member of the Group;
- (v) commits any material breach of any of the policies of the Group or procedures or any laws, rules or regulations applicable to the Company or Group;
- (vi) is subject to allegations, has been accused of, charged with or convicted of fraudulent or dishonest conduct in the performance of the Participant's (or former Participant's) duties, which in the reasonable opinion of the relevant directors of the Group effects the Participant's suitability for employment with that member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of the Company or the Group;
- (vii) is subject to allegations, has been accused of, charged with or convicted of any criminal offence which involves fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;
- (viii) has committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
- (ix) has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation;
- (x) has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice;
- (xi) has wilfully or negligently failed to perform their duties under any employment contract entered into by the Participant with any member of the Group;
- (xii) has engaged in a transaction which involves a conflict of interest to their employment with the Company resulting in the Participant or former Participant obtaining a personal benefit;
- (xiii) accepts a position to work with a competitor of the Company or Group;
- (xiv) acts in such a manner that could be seen as being inconsistent with the culture and values of the Company or the Group; or
- (xv) commits any other act that the Board determines in its absolute discretion to constitute fraudulent or dishonest by the Participant or former Participant.

## **11. Change of Control**

All granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest (regardless of whether any Performance Criteria or Vesting Conditions have been satisfied) and a Participant may exercise any or all of their Options (regardless of whether the Vesting Conditions have been satisfied) provided that no Options will be capable of exercise later than the Expiry Date, if any of the following change of control events occur:

- (i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation,

sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

- (ii) a takeover bid:
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the takeover bid has a relevant interest in 50% or more of the issued Shares;
- (iii) any person acquires a relevant interest in 50.1% or more of the issued Shares by any other means; or
- (iv) the Company announces that a sale or transfer (in one transaction or a series of transactions) of the whole (or substantially the whole) of the undertaking and business of the Company has been completed.

## **12. Holding Lock**

The Board may at any time request that the Company's share registry to impose a holding lock on any Incentive Securities issued pursuant to the Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach these Rules.

## **13. Contravention of Rules**

The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Incentive Securities if it determines or reasonably believes a Participant has breached the Plan or the terms of issue of any Incentive Securities, including but not limited to, signing transfer forms in relation to Incentive Securities, placing a holding lock on Incentive Securities, signing any and all documents and doing all acts necessary to effect a Buy-Back, accounting for the proceeds of the sale of forfeited Incentive Securities, refusing to transfer any Incentive Securities and/or refusing to issue any Shares.



## **Schedule 4 – Summary of New Constitution**

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### **1. Shares**

The issue of Shares and Options by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of Shares.

### **2. Preference Shares**

The Corporations Act requires certain rights of preference shares to be either set out in the constitution or approved in general meeting by special resolution before preference shares are issued.

The New Constitution sets out a framework of rights for preference share issues from which the Board can determine to issue preference shares, without the need to obtain further Shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the New Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

### **3. Reductions of Capital**

The New Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

### **4. Liens**

If the Company issues partly paid Shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares. The powers of the Company in relation to calls, company payments, forfeiture and liens are set out in schedule 2 to the New Constitution.

### **5. Transfer of Shares**

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (**ASTC**) Operating Rules. Transfers through ASTC are effected electronically in ASTC's Clearing House Electronic Sub register System (**CHES**). For the purposes of the Company's participation in the CHES, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules.

### **6. Proportional Takeovers**

A proportional takeover bid is one in which the offer or offers only to buy a specified proportion of each Shareholders' shares.

The New Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

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. 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.

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.

The perceived advantages of including proportional takeover provisions in a constitution are that such provisions may:

- (v) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (vi) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (vii) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (viii) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in a constitution include the following:

- (i) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (ii) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and
- (iii) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

While the proportional takeover provisions were in effect under the existing Constitution, there were no proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the Shareholders, respectively, during this period.

The proportional takeover provisions are contained in schedule 5 to the New Constitution.

## **7. Alterations of share capital**

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the Listing Rules.

If a reduction of capital occurs by way of a distribution of shares or other securities in another body corporate, Shareholders (i) are deemed to have agreed to be members of and bound by the constitution of that body corporate, (ii) appoint the Company and its directors to execute any transfers to give effect to the distribution of shares or other securities and (iii) any binding instructions or notification given to the Company are deemed to be binding instructions or notifications to the other body corporate. The Company also has the discretion to not distribute the shares or other securities in the other body corporate and instead make a cash payment if the distribution would be illegal, give rise to unmarketable parcels or be unreasonable having regard to the number, value and/or the legal requirements of distributions to Shareholders in particular overseas jurisdictions.

## **8. Buy Backs**

The Company may buy back shares in itself on terms and at such times determined by the Directors.

## **9. Disposal of less than a Marketable Parcel**

For the sake of avoiding excessive administration costs, the New Constitution contains provisions enabling the Company to procure the disposal of Shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the

relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The provisions relating to unmarketable parcel are contained in schedule 4 to the New Constitution.

**10. Variation of class rights**

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

**11. Meetings of Shareholders**

The Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The New Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places or virtually linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

**12. Voting of Shareholders**

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

**13. Direct Voting**

The Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the directors, the notice of meeting will include information on the application of direct voting.

**14. Proxies**

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The New Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

**15. Directors**

Unless changed by the Company in general meeting, the minimum number of directors is 3 and no maximum number is specified. The Directors and the Company may at any time appoint any person as a Director. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for re-election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

**16. Powers of Directors**

The business of the Company is to be managed by or under the direction of the Directors.

**17. Remuneration of Directors**

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

**18. Execution of documents**

In accordance with the Corporations Act, the Constitution provides for execution of documents by the Company without the use of the Company's company seal.

**19. Dividends**

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately.

The Company is not required to pay any interest on dividends.

**20. Notice**

In addition to the standard notice provisions, the Company may give Notice to a Member by notifying the Member by sending a document by post to the address of the Member in the Register or the alternative address (if any) nominated by that Member that:

- (i) the document is available; and
- (ii) how the Member may use electronic means to access the document.

**21. Indemnities and insurance**

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or secretary. A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

**22. Restricted Securities**

The Company's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form Appendix 9A. Those with less significant holdings (such as non-related parties and non-promoters), the Company will issue restriction notices to holders of restricted securities in the form Appendix 9C advising them of the restriction rather than requiring signed restriction agreements



#### All Correspondence to:

- By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:00pm (Sydney Time) on Monday 24 May 2021.**

### TO VOTE ONLINE

### BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/ypbagm2021>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **1:00pm (Sydney Time) on Monday 24 May 2021**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** <https://www.votingonline.com.au/ypbagm2021>
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

SAMPLE

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.  
**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of YPB Group Ltd (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **Via Zoom on Wednesday, 26 May, 2021 at 1:00pm (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 7 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr John Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Placement Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares and Options to EverBlu Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue up to 950,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue up to 950,000,000 Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Conditional Resolution	Spill Resolution (Conditional Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary