
DXN LIMITED

ACN 620 888 548

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:30am AEDST

DATE: Friday, 22 October 2021

PLACE: The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by:

[Click on this link to register](#)

where Shareholders will be able to watch, listen and vote online.

Details on how to access the virtual Meeting are set out in this Notice.

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (AWST) on Wednesday, 20 October 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF ARMYTAGE SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 44,000,000 Shares and 22,000,000 Armytage Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – SDC CONSIDERATION SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 16,666,667 SDC Consideration Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 76,531,113 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 106,131,853 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – APPROVAL TO ISSUE DCA FUTURE SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,250,000 on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL TO ISSUE SHORTFALL SHARES UNDER SPP

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 166,666,667 Shares (subject to rounding) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL TO ISSUE WARRANTS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000,000 Warrants on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – APPROVAL TO ISSUE TMT OPTIONS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,888,857 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 17 September 2021

By Order of the Board

George Lazarou
Company Secretary
DXN Limited

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Ratification of prior issue of Armytage Securities	A person who participated in the issue or is a counterparty to the agreement being approved (namely Armytage) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Shares – SDC Consideration Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely Proactive Solutions Pty Ltd ACN 653 254 703 as trustee for the Grist Family Trust) or an associate of that person or those persons.
Resolutions 3 and 4 – Ratification of prior issue of Placement Shares – Listing Rules 7.1 and 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely DCA and the participants in the Placement) or an associate of that person or those persons.
Resolution 5 – Approval to issue DCA Future Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely DCA) or an associate of that person (or those persons).
Resolution 6 – Approval to Issue shortfall Shares under Share Purchase Plan	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely participants of the SPP) or an associate of that person (or those persons).
Resolution 7 – Approval to Issue Warrants	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely PURE Asset Management Pty Ltd (ACN 616 178 771) in its capacity as trustee for The Income and Growth Fund (ABN 80 976 282) or its nominees) or an associate of that person (or those persons).
Resolution 8 – Approval to issue TMT Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely TMT Partners Pty Limited) or 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 a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

In light of the status of the evolving COVID-19 situation, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by [Click on this link to register](#) where Shareholders will be able to watch, listen, and vote online.

VIRTUAL MEETING

Venue

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), will be sent a Meeting ID & Shareholder ID in advance for the virtual Meeting here:

[Click on this link to register](#)

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to George Lazarou, Company Secretary at george.lazarou@dxn.solutions at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Voting virtually

Shareholders who wish to vote virtually on the day of the Meeting will need to login to [Click on this link to register](#).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 1300 328 239.

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF ARMYTAGE SECURITIES

1.1 General

As announced on 14 April 2021, the Company raised a total of \$528,000 (before costs) through the issue of 44,000,000 Shares at an issue price of \$0.012 per Share together with one (1) free attaching Armytage Option for every two (2) Shares subscribed for and issued (**Armytage Placement**).

The Armytage Options are exercisable at \$0.03 on or before 30 April 2023.

On 15 April 2021, the Company issued the Shares and Armytage Options the subject of the Armytage Placement (**Armytage Securities**) to Armytage Private Pty Ltd (ACN 079 960 419) (**Armytage**), under Armytage's "Armytage Microcap Activist Fund".

Armytage is an institutional investor who offers fund management services to a wide range of investors including charitable trusts, corporations, superannuation funds, family trusts and retail & wholesale investors. The Armytage Microcap Activist Fund is an unlisted managed investment scheme which seeks to invest in newly emerging businesses, potential corporate plays, strategic turnaround opportunities and mispriced assets listed on the ASX.

1.2 Listing Rules 7.1

Broadly speaking, and subject to a number of exceptions (which are set out in Listing Rule 7.2), 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 12 month period.

The issue of the Armytage Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Armytage Securities.

1.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Armytage Securities.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Capital Raising Securities.

1.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Armytage Securities will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Armytage Securities.

If Resolution 1 is not passed, the Armytage Securities will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Armytage Securities.

1.5 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Armytage Securities were issued to Armytage Private Pty Ltd (ACN 079 960 419), an institutional investor who offers fund management services to a wide range of investors including charitable trusts, corporations, superannuation funds, family trusts and retail & wholesale investors;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that Armytage was not:
 - (i) a related party of the Company, a member of the Company's Key Management Personnel, a (previous) substantial holder of the Company, an adviser to the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 44,000,000 Shares and 22,000,000 Armytage Options were issued;
- (d) the Shares issued to Armytage in the Armytage Placement were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Armytage Options were issued on the terms and conditions set out in Schedule 1;
- (f) the Armytage Securities were issued on 15 April 2021;
- (g) the issue price per Share was \$0.012 and the issue price of the Options was nil as they were issued free attaching with the Shares on a one-for-two basis. The Company has not and will not receive any other consideration for the issue of the Armytage Securities (other than in respect of funds received on exercise of the Armytage Options);
- (h) the purpose of the issue of the Armytage Securities was to raise \$528,000, which was applied towards working capital across the Company's various businesses; and
- (i) the Armytage Securities were not issued under an agreement.

2. BACKGROUND TO RESOLUTIONS 2 TO 7

As announced on 9 September 2021, the Company has entered into agreements and arrangements which will progress its "Regional Edge Operator" strategy and which assists the Company position itself as a leading participant in the rapidly growing Edge data centre market in both Australia and the Asia Pacific region.

The Company has:

- (a) entered into an agreement to purchase the "Secure Data Centre" in Darwin, Northern Territory (**SDC**), for approximately \$4.88 million (\$4.68 million in cash and \$200,000 in Shares);
- (b) received binding commitments for a placement of an aggregate of \$1,643,967 (**Placement**) from a new strategic investor DC Alliance Pte Ltd (**DCA**) (\$1.25 million) and other sophisticated and professional investors (\$0.39 million). The Placement will be conducted via the issue of 182,662,966 Shares at \$0.009 per Share (**Placement Shares**). The Placement was completed, and the Placement Shares were issued, on 10 September 2021;
- (c) commenced negotiations with DCA to establish a strategic alliance such that DCA and the Company intend to work together in the future to market and sell data centre services, colocation racks, and connectivity. Pursuant to this strategic alliance, it is proposed that DCA subscribes for a future placement of \$1.25 million worth of Shares (**DCA Future Shares**), subject to all applicable regulatory approvals by 15 December 2021, at an issue price equal to a 20% premium to the Company's 10-day VWAP, subject to a maximum price of \$0.015;
- (d) resolved to conduct a Share Purchase Plan (**SPP**) to raise an additional \$1.5 million on the same terms as were offered to participants in the Placement (including DCA); and
- (e) agreed terms with PURE Asset Management Pty Ltd (ACN 616 178 771) in its capacity as trustee for The Income and Growth Fund (ABN 80 976 282) (**PURE Asset Management**) for the provision of a \$4 million debt facility.

Further details of items (a) to (e) are set out in Sections 2.1 to 2.5 below.

2.1 Acquisition of SDC

As set out in the Company's ASX announcement of 9 September 2021, the proposed acquisition of the SDC will provides a gateway to the Company expanding its network of subsea cables and domestic fibre routes.

The vendors of the SDC are set out in Schedule 2, and are entities associated with Paul Grist and John Townes (**Vendors**). Additionally, the material terms of the acquisition are set out in Schedule 2.

The total consideration to be paid by the Company for the acquisition of the SDC comprises a purchase price and payout of entitlements of \$4,875,974, payable as follows:

- (a) \$3,825,974 in cash;
- (b) \$200,000 in Shares (equivalent to 16,666,667 Shares at a deemed issue price of \$0.012 per share) (**SDC Consideration Shares**); and

- (c) a warranty retention amount of \$850,000 shall be held by DXN for 12 months after settlement of the Acquisition.

The SDC Consideration Shares will be subject to 12 months voluntary escrow from the date of issue.

It is intended that the completion of the acquisition of the SDC will occur on or about 30 September 2021, and the Company will issue the SDC Consideration Shares on that date. Accordingly, the Company will seek ratification of the issue of the SDC Consideration Shares, which is the subject of Resolution 2.

2.2 Placement

As set out in Section 2(b) above, on 10 September 2021, the Company issued 182,662,966 Placement Shares under the Placement at \$0.009 per Share to raise \$1,643,967.

Placement Shares were issued to DCA (as cornerstone investor), and to other sophisticated and professional investors. The Placement was conducted out of the Company's then-current placement capacities in Listing Rules 7.1 and 7.1A as follows:

- (a) 76,531,113 Shares were issued out of the Company's Listing Rule 7.1 placement capacity; and
- (b) 106,131,853 Shares were issued out of the Company's Listing Rule 7.1A additional placement capacity. The Company's 7.1A mandate, increasing the Company's placement capacity, was approved by Shareholders at its annual general meeting held on 23 November 2020.

The Placement introduced a new strategic investor to the Company, being DCA. DCA is a Singapore-based company focussed on the development of tier-certified data centre facilities across the Asia Pacific region. DCA has owned the Pier DC data centre in Perth since September 2020.

Shareholder ratification of the issue of the Placement Shares is the subject of Resolutions 3 and 4.

2.3 DCA Future Shares

As well as acting as the cornerstone investor to the Placement, the Company announced on 9 September 2021 that it continues to work with DCA on the establishment of a strategic alliance to cross sell the Australian data centre assets. It is currently intended that the alliance will involve DCA and the Company working together to market and sell data centre services, colocation racks, and connectivity across Perth and Sydney. DCA and the Company plan to share sales and market insights to develop a joint customer value proposition for colocation sales and establish a common set of products between them, which will enhance the experience for current and potential clients.

In the event that the above strategic alliance is formalised via the execution of a formal agreement, and subject always to all applicable laws, the Listing Rules and any applicable regulatory approvals (including foreign investment approval from FIRB by 15 December 2021), it is proposed that DCA be granted the opportunity to subscribe for a future placement of \$1.25 million worth of DCA Future Shares, at an issue price equal to a 20% premium to the Company's 10-day VWAP, subject to a maximum price of \$0.015.

Shareholder approval for the issue of the DCA Future Shares is the subject of Resolution 5.

2.4 Share Purchase Plan

As set out above, the Company has resolved to conduct an offer to all Shareholders who were on the Company's register of Shareholders as at 5:00pm (WST) on 8 September 2021, via a Share Purchase Plan (**SPP**), of up to \$30,000 worth of Shares at the same issue price per Share as was offered to participants in the Placement.

Shareholders who elect to participate in the SPP will not be charged any brokerage or other charges for the subscription for SPP Shares. The Company intends to raise up to \$1.5 million via the SPP at an issue price of \$0.009 per Share. Accordingly, the Company proposes to issue up to 166,666,667 Shares under the SPP.

The timetable for the SPP is as follows:

Key dates for the SPP	Proposed Date
Record date for determining SPP entitlements	8 September 2021
Announcement of the SPP and Lodge Appendix 3B	9 September 2021
Documents mailed to eligible shareholders	15 September 2021
SPP opens – opening date for acceptances	16 September 2021
SPP closes – closing date for acceptances	30 September 2021
Announcement of results	4 October 2021
Issue of new shares under SPP and release Appendix 2A	6 October 2021
Quotation of shares issued under the issue	7 October 2021

In the event that the SPP is not fully subscribed, the Company proposes to place any shortfall (which is 166,666,667 Shares less the amount eligible Shareholders subscribe for) (**Shortfall**) at the discretion of the Directors subject to compliance with all necessary legal requirements.

As placing the Shortfall will reduce the Company's placement capacity on and from the date of the Shortfall's issue, The Company is seeking Shareholder approval to place the Shortfall in Resolution 6.

2.5 Debt Facility and Use of Funds

The Company has also executed a binding term sheet for a new four year secured \$4 million debt facility with PURE Asset Management to support the SDC acquisition and the Company's future growth strategies (**Debt Facility**).

The Debt Facility, in conjunction with funds raised from the Placement and the SPP, is intended to be applied as follows:

Uses	\$
Purchase price – SDC acquisition ¹	3,825,974
Module manufacturing growth and working capital ²	1,444,026
Acquisition Costs and facility establishment fee ³	200,000
Repayment of existing debt ⁴	1,300,000
Offer costs	370,000
Total Funds raised	~\$7,140,000

Notes

1. Excludes \$200,000 in shares to be issued to the Vendors at settlement.
2. Funds to be applied towards DXN Modules product manufacturing and general working capital.
3. Funds to be applied to against costs associated with the SDC acquisition and Pure debt facility.
4. Funds to be applied against repayment of the ANZ and Export Finance debt.

Subject to Shareholder approval, the Company has agreed to issue PURE Asset Management (or its nominees) 200,000,000 Warrants as part of the Debt Facility. Shareholder approval for the issue of the Warrants is the subject of Resolution 7.

3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SDC CONSIDERATION SHARES

3.1 General

As described in Section 2.1 above, the Company has entered into an agreement to acquire the SDC (**Share and Unit Sale Agreement**). Material terms of the Share and Unit Sale Agreement are set out in Schedule 2.

Part consideration for the acquisition is the issue to Proactive Solutions Pty Ltd ACN 653 254 703 as trustee for the Grist Family Trust (**Proactive Solutions**) of 16,666,667 SDC Consideration Shares at a deemed issue price of \$0.012 per SDC Consideration Share.

As summarised in Section 1.2 above, 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

The issue of the SDC Consideration Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the SDC Consideration Shares.

A summary of Listing Rule 7.4 is set out in Section 1.3 above.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the SDC Consideration Shares.

The Company notes that completion of the acquisition of the SDC is intended to occur on or about 30 September 2021. Accordingly, as at the date of this Notice the SDC Consideration Shares have not been issued by the Company, however

the Company is seeking shareholder ratification for their issue as the SDC Consideration Shares will be issued prior to the Meeting.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the SDC Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the SDC Consideration Shares.

If Resolution 2 is not passed, will continue to be included in calculating the Company's 15% limit in Listing Rule 7.1, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the SDC Consideration Shares.

3.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the SDC Consideration Shares were issued to Proactive Solutions;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 16,666,667 SDC Consideration Shares were issued and the SDC Consideration Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the SDC Consideration Shares are intended to be issued on or about 30 September 2021, and in any event will be issued prior to the Meeting;
- (e) the SDC Consideration Shares were issued at a nil issue price, in part consideration for the acquisition of the SDC under the agreement between the Company and the Vendors. The Company has not and will not receive any other consideration for the issue of the SDC Consideration Shares;
- (f) the purpose of the issue of the SDC Consideration Shares was to issue to Proactive Solutions part consideration for the acquisition of the SDC; and
- (g) the SDC Consideration Shares were issued to Proactive Solutions under the Share and Unit Sale Agreement. A summary of the material terms of the Share and Unit Sale Agreement is set out in Schedule 2.

4. RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

4.1 General

As announced on 9 September 2021, and as described in Section 2.2 above, the Company completed the Placement to raise \$1,643,967, and issued 182,662,966 Placement Shares on 10 September 2021. DCA invested \$1,250,000 into the Placement, and other sophisticated and professional investors committed \$393,967 to the Placement.

As summarised in Section 1.2 above, 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.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. As noted above, the Company obtained approval to increase its limit to 25% at its annual general meeting held 23 November 2020.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 25% combined limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under those Listing Rules for the 12-month period following the date of issue of the Placement Shares.

A summary of Listing Rule 7.4 is set out in Section 1.3 above.

Resolutions 3 and 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

4.2 Technical information required by Listing Rule 14.1A

If Resolutions 3 and 4 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the issue of the Placement Shares.

If Resolutions 3 and 4 are not passed, the Placement Shares will continue to be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the issue of the Placement Shares.

4.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Placement Shares were issued DCA (138,888,889 Shares), and also to other professional and sophisticated investors who were identified by the Directors (43,774,077 Shares);
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 182,662,966 Placement Shares were issued on the following basis:
 - (i) 76,531,113 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 3); and
 - (ii) 106,131,853 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 4);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 10 September 2021;
- (f) the issue price was \$0.009 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$1,643,967, which will be applied in accordance with the Use of Funds set out in Section 2.5 above; and
- (h) the Placement Shares were not issued under an agreement.

5. RESOLUTION 5 – APPROVAL TO ISSUE DCA FUTURE SHARES

5.1 General

As described in Section 2.3 above, the Company is in the process of negotiating a strategic alliance with DCA. Subject always to all applicable laws, the Listing Rules and any applicable regulatory approvals (including foreign investment approval from FIRB by 15 December 2021), it is proposed, following formalisation of the strategic alliance, that DCA be granted the opportunity to subscribe for a future placement of up to \$1.25 million worth of DCA Future Shares, at an issue price equal to a 20% premium to the Company's 10-day VWAP, subject to a maximum price of \$0.015.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The proposed issue of the DCA Future Shares does not fall within any of the exceptions to this rule in Listing Rule 7.2 and may exceed the 15% limit in Listing Rule 7.1. Accordingly, the Company is seeking Shareholder pre-approval under Listing Rule 7.1 for the issue of the DCA Future Shares.

5.2 Technical information required by Listing Rule 14.1A

The issue of the DCA Future Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and whilst the number of DCA Future Shares may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as

possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to pre-approve the issue of the DCA Future Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on the issue equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the DCA Future Shares and such issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company may not be able to proceed with the issue of the DCA Future Shares and the Company may not be able to raise additional funds from DCA, potentially jeopardising the proposed strategic alliance between the two companies.

5.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) subject to the receipt of FIRB approval, the DCA Future Shares will be issued to DCA;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that DCA is:
 - (i) a substantial holder of the Company (as at the date of this Notice, DCA holds 10.78% of the Shares on issue in the Company; and
 - (ii) will be issued with more than 1% of the issued capital of the Company;
- (c) the maximum number of DCA Future Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$1.25 million. The DCA Future Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the DCA Future Shares will be issued (subject to receipt of FIRB approval) no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the DCA Future Shares will occur on the same date;
- (e) the issue price of the DCA Future Shares will be equal to a 20% premium to the Company's 10-day VWAP, subject to a maximum price per DCA Future Share of \$0.015. The Company will not receive any other consideration for the issue of the DCA Future Shares;
- (f) the purpose of the issue of the DCA Future Shares is to raise up to \$1,250,000. The Company intends to apply the funds raised from the issue in accordance with the Use of Funds set out in Section 2.5 above;
- (g) the DCA Future Shares are not being issued under an agreement, and are merely proposed to be issued subject to formalisation of a strategic alliance between the Company and DCA; and

- (h) the DCA Future Shares are not being issued under, or to fund, a reverse takeover.

5.4 Dilution

Set out below is a worked example of the number of DCA Future Shares that may be issued under Resolution 5 based on an assumed issue prices of \$0.009, \$0.012 and \$0.015 per DCA Future Share, being the applicable issue price based off:

- (c) the closing price of Shares on 8 September 2021 (the day immediately prior to announcement of the DCA strategic alliance) of \$0.01 (**Closing Price**);
- (d) the ceiling price of \$0.015 per Share; and
- (e) an equivalent reduction in applicable issue price, such that the DCA Future Shares are issued at \$0.009.

Assumed issue price (\$)	Maximum number of DCA Future Shares which may be issued ¹	Current Shares on issue as at the date of this Notice ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 5 ³	Dilution effect on existing Shareholders
0.009	138,888,889	1,287,981,502	1,426,870,391	9.73%
0.012	104,166,667	1,287,981,502	1,426,870,391	7.30%
0.015	83,333,333	1,287,981,502	1,426,870,391	5.84%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 1,287,981,502 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 5 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

6. RESOLUTION 6 – APPROVAL TO ISSUE SHARES UNDER SHARE PURCHASE PLAN

6.1 The Company's SPP and Listing Rule 7.1

As set out in Section 2.4 above, the Company is currently in the process of conducting a SPP, providing eligible Shareholders the opportunity to invest in the Company at the same price as the Placement, without brokerage or other related charges. Pursuant to the SPP, the Company proposes to issue approximately 166,666,667 Shares at an issue price of \$0.009 and intends to raise up to \$1,500,000.

Shareholders can apply for Shares under the SPP up to a maximum of \$30,000. Shares issued under the SPP will rank equally with all existing ordinary Shares.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of Shares under the SPP falls within exception 5 of Listing 7.2, and therefore does not fall within the 15% limit in Listing Rule 7.1.

However, in the event the SPP is not fully subscribed, the Company proposes to place Shortfall at the discretion of the Directors subject to compliance with all necessary legal requirements. The proposed issue of the Shortfall does not fall within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the Company's 25% combined limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under those Listing Rules for the 12-month period following the date of issue of the Shortfall.

6.2 Technical information required by Listing Rule 14.1A

The issue of Shares forming the Shortfall does not fall within any of the exceptions set out in Listing Rule 7.2 and whilst the number of Shares to be issued may not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to pre-approve the issue of these Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issue equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Shortfall following the conclusion of the SPP. In addition, the issue of the Shortfall will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, subject to the Company having sufficient remaining capacity under Listing Rule 7.1 and/or Listing Rule 7.1A, the issue of the Shortfall following the conclusion of the SPP can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

If Resolution 6 is not passed, and the Company does not have sufficient capacity under Listing Rule 7.1 and/or Listing Rule 7.1A, the issue of the Shortfall following the conclusion of the SPP will not be able to proceed, and the Company will not be able to raise the full \$1,500,000 under the SPP.

6.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) Shares forming the Shortfall will be issued to professional and sophisticated investors who will be identified by the Directors.
- (b) In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company,

advisers of the Company or an associate of any of these parties;
and

- (i) issued more than 1% of the issued capital of the Company.
- (c) A maximum number of Shares to be issued as Shortfall is currently unknown, as the SPP has not yet concluded. The maximum number of Shares that could be issued pursuant to Resolution 6, on the assumption that no eligible Shareholders subscribe for any Shares under the SPP, is 166,666,667.
- (d) The Shares issued as Shortfall will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) The Shortfall will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date.
- (f) The issue price per Share will be \$0.009, being the issue price per Share of the SPP. The Company will not receive any other consideration for the issue of the Shortfall.
- (g) The purpose of the issue of the Shortfall is to ensure the Company is able to raise the full \$1,500,000 under the SPP. The Company intends to apply the funds raised from the issue in accordance with the use of funds set out in Section 2.5 above.
- (h) The Shortfall will be issued pursuant to the terms of the SPP.
 - (i) The offer under the SPP (**Offer**) is intending to raise a maximum of \$1.5 million. The Company may elect to accept additional subscriptions or alternatively close the Offer early and/or scale back applications.
 - (ii) Under the SPP, Eligible Shareholders (defined below) will have the opportunity to purchase up to \$30,000 worth of Shares at the same price as the Placement (\$0.009), irrespective of the size of their shareholding, without incurring brokerage or transaction costs.
 - (iii) Participation under the SPP is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares at 7:00pm (AEST) on Wednesday, 8 September 2021 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).
 - (v) The proceeds raised under the SPP (together with the Placement) will be applied towards to the acquisition of 100% of the shares on issue in Secure Data Centre Pty Ltd ATF SDC Trust and 100% of the units on issue in the SDC Trust, which owns a data centre in Darwin, Northern Territory and additional working capital.
 - (vi) All payments for Shares must be received by the closing date of Thursday, 30 September 2021.

- (vii) In the event that less than \$1.5 million is applied for under the SPP, shortfall from the SPP may be placed at the discretion of the Directors subject to compliance with all necessary legal requirements. The Company confirms that any issue of the shortfall will be placed subject to the Company's compliance with ASX Listing Rules 7.1 and 7.1A at the time of issue. Any issue of shortfall will be placed subject to receipt of Shareholder approval.
- (i) The Shortfall is not being issued under, or to fund, a reverse takeover.

7. RESOLUTION 7 – APPROVAL TO ISSUE WARRANTS

7.1 General

On 8 September 2021, the Company entered into an agreement PURE Asset Management for the provision (by TMT) for the four year secured \$4 million Debt Facility to support the SDC acquisition and the Company's future growth strategies.

As part of the terms of the Debt Facility, the Company has agreed to issue PURE Asset Management (or its nominees) 200,000,000 Warrants.

7.2 Listing Rule 7.1

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Warrants does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The value of the Warrants is \$800,000 (\$0.004 per Warrant).

7.3 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Warrants. In addition, the issue of the Warrants will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Warrants. If the Warrants are not issued, the Company will indemnify the PURE Asset Management (or its nominees) on demand for the option value of the Warrants and any other cost, expense (including legal fees) incurred by PURE Asset Management (or its nominees) as a result of or in connection with their failure to receive the Warrants (**Full Economic Value**). The Full Economic value will be determined through a Black& Scholes option pricing model. By way of example the Full Economic Value, as at the date of this Notice, would be \$800,000.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Warrants.

7.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) The Warrants will be issued to PURE Asset Management Pty Ltd (ACN 616 178 771) in its capacity as trustee for The Income and Growth Fund (ABN 80 976 282) (or its nominees);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Warrants will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Warrants to be issued is 200,000,000. The terms and conditions of the Warrants are set out in Schedule 3;
- (d) the Warrants will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Warrants will occur on the same date;
- (e) the Warrants will be issued at a nil issue price, as part of the Debt Facility to be provided by PURE Asset Management to the Company;
- (f) the purpose of the issue of the Warrants is to part satisfy the Company's obligations under the Debt Facility with PURE Asset Management;
- (g) the Warrants are being issued to PURE Asset Management (or its nominees) under the Debt Facility with PURE Asset Management. A summary of the material terms of that agreement is set out below:
 - (i) **Parties:** the Company and PURE Asset Management;
 - (ii) **Facility Amount:** \$4 million. Initial drawdown of \$2.5 million and a second drawdown of \$1.5 million before 15 March 2022;
 - (iii) **Term:** 48 months from utilisation of the Facility Amount;
 - (iv) **Repayment:** interest only during term, fully repayable at maturity;
 - (v) **Amortisation:** None;
 - (vi) **Interest Rate:** 8.75% interest rate plus line fee of 2.5% pa, interest to be paid every quarter;
 - (vii) **Security:** First ranking security over all assets of the Company and its Australian subsidiaries, supported by subsidiary guarantees. Any intercreditor deed in relation to any material permitted financial indebtedness of or permitted security interest granted by the Company on terms required by PURE Asset Management; and

- (viii) **Warrants** - Subject to receipt of prior Shareholder approval, the Issue of 200,000,000 Warrants with an exercise price of the lower of:
- (A) \$0.02 (122% premium to the placement & SPP price); and
 - (B) (after 31 December 2021) an Adjusted Price, insofar as there are future issue(s) of equity securities exceeding 15% of the number of shares on issue in DXN immediately prior to the new issue(s), in any 12-month period;
- (h) the Warrants are not being issued under, or to fund, a reverse takeover.

8. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS

8.1 General

On or about 15 December 2020, the Company entered into an agreement with TMT Partners Pty Limited (ACN 096 929 083) (**TMT**) for the provision (by TMT) of financial and strategic advice, capital raising & investor communication services to the Company. TMT provides a wide range of corporate advisory services and has been working closely with the Company since December 2020 to advance the Company's strategic and operational objectives.

In part consideration for receipt of these services, the Company has agreed to issue TMT 10,888,857 Options (**TMT Options**) which are exercisable at \$0.014 and have an expiry date of three years from the date of issue.

8.2 Listing Rule 7.1

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the TMT Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

8.3 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the TMT Options. In addition, the issue of the TMT Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the TMT Options. Not issuing the TMT Options will constitute a default under the Company's agreement with TMT and the Company may need to negotiate an alternative payment arrangement with TMT.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the TMT Options.

8.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) The TMT will be issued to TMT Partners Pty Limited (ACN 096 929 083) the Company's corporate adviser;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of TMT Options to be issued is 10,888,857. The terms and conditions of the TMT Options are set out in Schedule 4;
- (d) the TMT Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the TMT Options will occur on the same date;
- (e) the TMT Options will be issued at a nil issue price, in part consideration for the corporate advisory services provided by TMT to the Company;
- (f) the purpose of the issue of the TMT Options is to part satisfy the Company's obligations under its advisory mandate with TMT;
- (g) the TMT Options are being issued to TMT under the Company's advisory mandate with TMT. A summary of the material terms of that agreement is set out below:
 - (i) **Parties:** the Company and TMT Partners Pty Limited;
 - (ii) **Services:** financial advisory, corporate strategy, capital raising, investor communication and mergers and acquisitions advice. The Company is issuing TMT the TMT Options for providing these services between 15 December 2020 and the date on which the Placement was completed (being 9 September 2021); and
 - (iii) **Fees payable to TMT:**
 - (A) \$5,000 per calendar month on and from the date of the agreement, for so long as the Company requires TMT Partners to provide the above services;
 - (B) Capital Raising Fee of 1.5% of the total amount raised in the capital raising and 4.5% of any capital directly placed by TMT (to this end, TMT will be paid 1.5% on all funds raised in the Placement, Debt Facility and SPP and a 4.5% Placement Fee on funds directly raised in the Placement and Debt Facility);
 - (C) the TMT Options; and

- (D) in the event the Company completes an M&A transaction or a takeover transaction, TMT will be paid a success fee referable to the size of the transaction; and
- (h) the TMT Options are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

Armytage means Armytage Private Pty Ltd (ACN 079 960 419).

Armytage Options means the Options that were issued to Armytage on 15 April 2021, having the terms and conditions set out in Schedule 1 and ratification of which is sought by Resolution 1.

Armytage Securities has the meaning ascribed to that term in Section 1.1.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means DXN Limited (ACN 620 888 548).

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

Directors means the current directors of the Company.

DCA means DC Alliance Pte Ltd, an entity incorporated under the laws of Singapore, and the Company's recently announced strategic partner.

DCA Future Shares means the Shares to be issued to DCA in the future, subject to all applicable laws and subject to FIRB approval (of required). The approval for which is sought by Resolution 5.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the Company's placement announced on 9 September 2021, raising approximately \$1.64 million via the issue of 182,662,966 Shares at \$0.009 per Share.

Placement Share means a Share to be issued under the Placement.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

SDC means the "Secure Data Centre" in Darwin, Northern Territory, which is to be acquired by the Company in accordance with the Company's agreement with the Vendors, the material terms of which are summarised in Schedule 2.

SDC Consideration Shares means the Shares to be issued to the Vendors on or about 30 September 2021, in consideration for the acquisition of the SDC and ratification of which is sought by Resolution 2.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

TMT means TMT Partners Pty Limited (ACN 096 929 083) the Company's corporate adviser.

TMT Option means an Option to be issued to TMT pursuant to the Company's advisory mandate with TMT, Shareholder approval of which is sought by Resolution 8.

Vendors means the vendors of the SDC.

Warrants means the warrants proposed to be issued to PURE Asset Management pursuant to Resolution 7 with the terms and conditions set out in Schedule 3.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF ARMYTAGE OPTIONS

(a) **Entitlement**

Each Armytage Option entitles the holder to subscribe for one Share upon exercise of the Armytage Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Armytage Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Armytage Option will expire at 5:00 pm (WST) on 30 April 2023 (**Expiry Date**). An Armytage Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Armytage Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Armytage Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Armytage Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Armytage Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Armytage Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Armytage Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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 Armytage Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Armytage Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Armytage Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Armytage Options without exercising the Armytage Options.

(k) **Change in exercise price**

An Armytage Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Armytage Option can be exercised.

(l) **Transferability**

The Armytage Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – KEY TERMS OF THE ACQUISITION OF SDC

The key terms and conditions of the Share and Unit Sale Agreement are as follows:

(a) **Parties**

DXN Limited, Secure Data Centre Pty Ltd ATF the SDC Trust and Paul Grist, and each of John Townes, Proactive Solutions Pty Ltd ATF Paul Grist Family Trust and Trewortha Holdings Pty Ltd ATF Townes Family Trust (the **Vendors**).

(b) **Acquisition**

DXN has agreed to acquire, and the Vendors (as the holders of all of the shares and units in SDC) have agreed to sell, 100% of the shares on issue in Secure Data Centre Pty Ltd ATF SDC Trust and 100% of the units on issue in the SDC Trust (together “**SDC**”) subject to the conditions precedent, and for the consideration, set out below.

(c) **Consideration**

The total consideration to be paid by DXN for the Acquisition comprises a purchase price and payout of entitlements of \$4,875,974 (**Purchase Price**) which is payable as follows:

- (i) \$3,825,974 in cash payments to the Vendors;
- (ii) \$200,000 in equity consideration to Proactive Solutions Pty Ltd ATF Paul Grist Family Trust (16,666,667 Shares at a deemed issue price of \$0.012 per share); and
- (iii) a warranty retention amount of \$850,000 shall be held by DXN for 12 months after settlement of the Acquisition.

The Consideration Shares will be subject to 12 months voluntary escrow from the date of issue.

(d) **Conditions Precedent**

Settlement of the Acquisition is conditional upon satisfaction (or waiver by DXN) of the following outstanding conditions precedent:

- (iv) DXN executing an operating agreement for the data centre with Paul and Tracey Grist and Proactive Solutions Pty Ltd ATF the Grist Family Trust;
- (v) DXN completing a debt and/or equity capital raising (details of which are set out in this announcement);
- (vi) the Vendors obtaining change of control consents from customers (where required);
- (vii) DXN notifying all customers of the change of ownership of SDC immediately prior to settlement;
- (viii) SDC being debt free (as defined in the Share and Unit Sale Agreement) and having an agreed level of working capital; and

- (ix) The Vendors procuring execution of the Option Deed, pursuant to which DXN will be granted a 3 year option to purchase the SDC land and property for \$2.1 million by its owner.

(e) **Settlement**

Settlement of the Acquisition will occur after satisfaction (or waiver by DXN) of the conditions precedent. It is currently contemplated that settlement will occur no later than 18 October 2021.

The Share and Unit Sale Agreement otherwise contains representations and warranties, indemnities and negative covenants from the Vendors and dispute resolution provisions considered standard for an agreement of this nature.

SCHEDULE 3 – TERMS AND CONDITIONS OF WARRANTS

Holder	PURE Asset Management and/or its nominee or nominees.
Issuer	The Company.
Share	A fully paid ordinary share in the capital of the Issuer.
Equity Security	A Share or an instrument convertible into a Share
Non-ordinary Share	A share in the capital of the Issuer other than a Share.
Warrant Shares	200,000,000 Shares
Warrants Issuance	<p>The Warrants must be issued as soon as the Issuer obtains Shareholder approval. The Issuer will indemnify the Holders on demand for the option value of the Warrants and any other cost, expense (including legal fees) incurred by the Holders as a result of or in connection with their failure to receive the Warrants (Full Economic Value). The Full Economic value is determined through a Black& Scholes option pricing model.</p> <p>If the relevant Holder and the Issuer cannot agree the amount of the Full Economic Value within 5 business days of a request by the Holder to do so, the Full Economic Value will be determined by an independent expert appointed by the Lender at the cost and expense of the Issuer. The independent expert must be a Certified Practising Accountant (CPA), Chartered Accountant (CA) or investment banker with at least 10 years' experience.</p>
Exercise Price	<p>The lower of the following per Warrant Share:</p> <ul style="list-style-type: none"> (a) A\$0.020; and (b) if the Issuer makes an issue of Equity Securities (or a series of consecutive issuances of Equity Securities in any period not exceeding 12 months) and the diluted amount of those Equity Securities (in aggregate) exceeds 15% of the number of Shares on issue immediately before the issue or issuances after 31 December 2021. (c) the Adjusted Price; or (d) in the case of a series of issuances, the volume weighted Adjusted Price in relation to those issuances, or as otherwise adjusted in accordance with the ASX Listing Rules. <p>Paragraph (b) does not apply to before 31 December 2021 for issuances up to up to a maximum of 550,000,000 Shares, but does apply to all issues of Equity Securities after that date, or above this amount, and may apply on more than one occasion and in respect of any set of consecutive issuances (in which case the applicable value for the purposes of paragraph (c) will be the lowest value determined in accordance with paragraph (c) on any of those occasions).</p>
Adjusted Price	The price calculated in accordance with the following formula:

	$(A + B) / C$ <p>where:</p> <p>A = market capitalisation of the Issuer on the trading day prior to the announcement of the issue of Equity Securities;</p> <p>B = the number of Equity Securities the subject of the issue multiplied by their issue price; and</p> <p>C = the number of Shares on issue immediately after the issue of Equity Securities plus the diluted amount of any Equity Securities that are securities convertible into Shares.</p> <p>If a Share is issued pursuant to the exercise of an option, its issue price for the purposes of parameter B above will be the exercise price of the option.</p>
Exercise Period	The period commencing on the date of the Warrant and expiring at 5.00pm AEST five (5) business days prior to the Repayment Date (being that date which is 48 months after the utilisation date).
Partial Exercise	Holder may exercise the Warrants in respect of all of the Warrant Shares or any number of Warrant Shares equal to or greater than \$500,000 divided by the Exercise Price. The Warrants may be exercised at any time during the Exercise Period and on multiple occasions (in respect of some or all of the Warrant Shares that have not been the subject of exercise).
Assignment, novation and other dealings	<p>Holder may assign the Warrant or nominate a substitute entity to receive the issue of Warrant Shares with the consent of the Issuer, which is not to be unreasonably withheld.</p> <p>The Issuer may not assign, transfer, novate or otherwise deal with the Warrant without the prior written consent of Holder in its absolute discretion.</p>
Issue of Non-ordinary Shares	The Issuer must not issue any Non-ordinary Shares (or securities convertible into Non-ordinary Shares) without the consent of Holder, unless the Exercise Price is adjusted so that the economic value of the Warrant is not adversely affected by the issue.
Representations and warranties	<p>Each party will make the following representations on the date of the Warrant and at completion:</p> <ul style="list-style-type: none"> (a) status; (b) power; (c) authorisations; (d) binding obligations; (e) no contravention; (f) no trust; and (g) solvency. <p>The Issuer will also represent and warrant that:</p> <ul style="list-style-type: none"> (a) the Warrant Shares will be issued free of security interests;

	(b) the Warrants are not issued for the purpose of Holder selling or transferring the Warrants; and (c) its issued capital is as disclosed to Holder on the date of the Warrant Deed.
Listing	The Warrants must not be listed on any securities exchange.

SCHEDULE 4 – TERMS AND CONDITIONS OF TMT OPTIONS

(a) **Entitlement**

Each TMT Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each TMT Option will be \$0.014 (**Exercise Price**).

(c) **Expiry Date**

Each TMT Option will expire at 5:00 pm (WST) on the date that is three (3) years from their issue (**Expiry Date**). A TMT Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The TMT Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The TMT Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the TMT Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each TMT Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each TMT Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five (5) Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of TMT Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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 TMT Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of TMT Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the TMT Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the TMT Options without exercising the TMT Options.

(k) **Change in exercise price**

A TMT Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the TMT Option can be exercised.

(l) **Transferability**

The TMT Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



DXN Limited | ACN 620 888 546

Proxy Voting Form

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

Your proxy voting instruction must be received by **11.30am (AEDT) on Wednesday, 20 October 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

