



YPB GROUP LIMITED

ACN 108 649 421

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held via Zoom teleconference on Monday, 30 May 2022 at 1:00pm (Sydney time).

*YPB Group Limited (**Company**) advises Shareholders that, in light of the COVID-19 pandemic, the Company has made arrangements for the annual general meeting (**Meeting**) to be held virtually via Zoom.*

The Company strongly encourages all Shareholders to vote by directed proxy in lieu of attending the Meeting in person. Proxy Forms for the Meeting should be lodged before 1:00pm (Sydney time) on Saturday, 28 May 2022.

Shareholders who wish to attend and participate in a virtual Meeting can do so via Zoom where Shareholders will be able to watch, listen and vote online. Details on how to access the virtual Meeting are provided in the Notice. Please contact the Company by emailing investors@ypbsystems.com or by phone at (08) 6555 2950 if you have any queries.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to investors@ypbsystems.com by no later than 5:00pm (Sydney time) on Saturday, 28 May 2022.

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary, Sebastian Andre, by telephone on +61 (08) 6555 2950

YPB GROUP LIMITED

ACN 108 649 421

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of YPB Group Limited (**Company**) will be held via Zoom teleconference on Monday, 30 May 2022 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 regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 28 May 2022 at 4:00pm (Sydney time).

The Company advises that an online poll will be conducted for all Resolutions.

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

AGENDA

Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1 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.

2 Resolution 2 – Re-election of Director – Mr George Su

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 7.15 of the Constitution and for all other purposes, Mr George Su, Director, retires and being eligible pursuant to Article 7.17 of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

3 Resolution 3 – Approval to issue up to 20,000,000 Performance Rights (on a pre-Consolidation basis) to Director – Gerard Eakin

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 10.11 and for all other purposes, approval be given for the Company to issue up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Gerard Eakin (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Gerard Eakin (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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 directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the 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 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 this Resolution 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 member.

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 the Resolution is connected with the remuneration of a member of the Key Management Personnel.

4 Resolution 4 – Approval to issue up to 20,000,000 Performance Rights (on a pre-Consolidation basis) to Director – George Su

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 10.11 and for all other purposes, approval be given for the Company to issue up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr George Su (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Mr George Su (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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 directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the 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 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 this Resolution 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 member.

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 the Resolution is connected with the remuneration of a member of the Key Management Personnel.

5 Resolution 5 – Consolidation of Capital

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 254H of the Corporations Act, the Listing Rules and the Constitution and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:

- (a) every twenty-five (25) Shares be consolidated into one (1) Share;
- (b) the Performance Rights on issue be consolidated in accordance with Listing Rule 7.21; and
- (c) all Options on issue be consolidated in accordance with Listing Rule 7.22.1,

*and where this consolidation results in a fraction of a Share, Performance Right or Option being held by a Shareholder, the Directors be authorised to round that fraction up to the nearest whole number, on the Monday, 30 May 2022 (**Consolidation Effective Date**) and otherwise on the terms and conditions in the Explanatory Memorandum.'*

6 Resolution 6 – Issue of the Convertible Note Shares

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

'That, subject to Resolutions 5 and 7 being passed or the inter-conditionality of those Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,076,150,685 Shares on a pre-Consolidation basis (122,926,027 Shares on a post-Consolidation basis) to the Investors (and/or their nominees) calculated in accordance with the formula detailed in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by any Investor and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

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

7 Resolution 7 – Issue of the Convertible Note Options

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

'That, subject to Resolutions 5 and 6 being passed or the inter-conditionality of those Resolutions being waived by the Board, pursuant to and in with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 52,500,000 Convertible Note Options (on a post-Consolidation basis) to the Investors (and/or their nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by any Investor and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

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

8 Resolution 8 – Issue of Additional Convertible Note Shares

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

'That, subject to Resolutions 5 and 9 being passed or the inter-conditionality of those Resolutions being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,076,150,685 Shares on a pre-Consolidation basis (122,926,027 Shares on a post-Consolidation basis) to the Additional Investors (and/or their nominees) calculated in accordance with the formula

detailed in the Explanatory Memorandum and otherwise on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by any Additional Investor and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

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

9 Resolution 9 – Issue of Additional Convertible Note Options

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

'That, subject to Resolutions 5 and 8 being passed or the inter-conditionality of those Resolutions being waived by the Board, pursuant to and in with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 52,500,000 Convertible Note Options (on a post-Consolidation basis) to the Additional Investors (and/or their nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by any Additional Investor and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

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

10 Resolution 10 – Issue of Securities to EverBlu

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

'That, subject to Resolution 5 being passed or the inter-conditionality of that Resolution being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue 1,800,000 Shares and 52,500,000 Convertible Note Options (on a post-Consolidation basis) to EverBlu (and/or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of EverBlu (and/or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities) or as associate of that person or those persons.

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

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

11 Resolution 11 – Issue of Additional Securities to EverBlu

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

'That, subject to Resolution 5 being passed or the inter-conditionality of that Resolution being waived by the Board, 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 1,800,000 Shares and up to

52,500,000 Convertible Note Options (on a post-Consolidation basis) to EverBlu (and/or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of EverBlu (and/or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities) or as associate of that person or those persons.

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

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

12 Resolution 12 – Approval to Issue up to \$4,000,000 worth of Shares

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

*'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue up to the number of Shares determined by A\$4,000,000 divided by the Proposed Share Issue Price on the terms and conditions in the Explanatory Memorandum (**Proposed Share Issue**).'*

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the Proposed Share Issue (except a benefit solely by reason of being a holder of ordinary securities) or an associate of that person (or those persons).

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

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

Note: the proposed allottees of any Shares issued under Resolution 12 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 12.

13 Resolution 13 – Approval for 10% Placement Capacity

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities 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 a person 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) 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 the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the 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 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.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 13 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 13.

Dated: 22 April 2022

By order of the Board

Sebastian Andre

Company Secretary

YPB GROUP LIMITED

ACN 108 649 421

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

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

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	Inter-Conditional Resolutions
Section 4	Convertible Note Raising
Section 5	Annual Report
Section 6	Resolution 1 – Remuneration Report
Section 7	Resolution 2 – Re-election of Director – Mr George Su
Section 8	Resolutions 3 and 4 – Approval to issue Performance Rights to Directors
Section 9	Resolution 5 – Approval of Consolidation
Section 10	Resolution 6 – Issue of the Convertible Note Shares
Section 11	Resolution 7 – Issue of the Convertible Note Options
Section 12	Resolution 8 – Issue of Additional Convertible Note Shares
Section 13	Resolution 9 – Issue of Additional Convertible Note Options
Section 14	Resolution 10 – Issue of Securities to EverBlu
Section 15	Resolution 11 – Issue of Additional Securities to EverBlu
Section 16	Resolution 12 – Approval to Issue up to \$4,000,000 worth of Shares

Section 17	Resolution 13 – Approval for 10% Placement Capacity
Schedule 1	Definitions and Interpretation
Schedule 2	Use of Funds
Schedule 3	Dilution
Schedule 4	Terms of Performance Rights
Schedule 5	Terms of Convertible Notes
Schedule 6	Terms of Convertible Note Options

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

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.

The Company advises that a poll will be conducted for all Resolutions.

2.1 Proxies

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

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. 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 Saturday, 28 May 2022, 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 Meeting

The Board is closely monitoring the rapidly changing COVID-19 pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance. Whilst the Board would like to host the meeting in person, due to the impact of COVID-19, this Meeting will be held virtually, and Shareholders will not be able to attend in person.

For the health and safety of all stakeholders, the Directors strongly encourage Shareholders to attend the Meeting via Zoom and vote using either Zoom or by lodging a proxy form prior to the Meeting (recommended).

Proxy Forms for the meeting should be lodged before 1:00pm (Sydney time) on Saturday, 28 May 2022.

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>.

3 Inter-Conditional Resolutions

Resolutions 6 and 7 are inter-conditional and subject to Resolution 5 being passed, meaning that each of them will only take effect if they are all approved by the requisite majority of Shareholders' votes at the Meeting or the Board decides to waive the inter-conditional of Resolutions 6 and 7. The Board may, at its absolute discretion and subject to the Listing Rules and Corporations Act, elect to waive the inter-conditional of the Resolutions 6 and 7 in the event a particular Resolution is not passed.

Resolutions 8 and 9 are inter-conditional and subject to Resolution 5 being passed, meaning that each of them will only take effect if they are all approved by the requisite majority of Shareholders' votes at the Meeting or the Board decides to waive the inter-conditional of Resolutions 8 and 9. The Board may, at its absolute discretion and subject to the Listing Rules and Corporations Act, elect to waive the inter-conditional of Resolutions 8 and 9 in the event a particular Resolution is not passed.

Resolutions 10 and 11 are subject to Resolution 5 being passed, meaning they will only take effect if Resolution 5 is approved by the requisite majority of Shareholders' votes at the Meeting or the Board decides to waive the condition that Resolutions 10 and 11 are subject to Resolution 5.

4 Convertible Note Raising

4.1 Background

On 28 March 2022, the Company announced that it had received commitments to raise A\$1,500,000 from professional and sophisticated investors (**Investors**) whereby the Company will issue, and the Investors will subscribe for, an aggregate of 1,500,000 convertible notes each with a face value of A\$1.00 (**Convertible Notes**), together with 52,500,000 options (on a post-Consolidation basis) each with an exercise price equal to a 40% premium of the 14 trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant (**Convertible Note Options**) to raise approximately A\$1,500,000 (before costs (**Convertible Note Raising**)). The terms and conditions of the Convertible Notes are summarised in Schedule 5.

The Company issued the Convertible Notes on 30 March 2022. The issue of the Shares on conversion of the Convertible Notes (**Convertible Note Shares**) and the issue of the Convertible Note Options is subject to shareholder approval (refer to Resolutions 6 and 7). Quotation of the Convertible Note Options is subject to the Convertible Note Options meeting the requirements for quotation of additional securities pursuant to Listing Rule 2.5.

EverBlu Corporate Capital Pty Ltd (**EverBlu**) acted as lead manager to the Convertible Note Raising. A summary of the mandate with EverBlu is described in Section 4.6.

Subject to market conditions and in consultation with Everblu, the Company is also considering raising up to an additional A\$1,500,000 from professional and sophisticated investors (**Additional Investors**) (**Additional Convertible Note Raising**) whereby the Company will issue, and the Additional Investors will subscribe for, an aggregate of up to 1,500,000 convertible notes each with a face value of A\$1.00 (**Additional Convertible Notes**), together with up to 52,500,000 options (on a post-Consolidation basis) each with an exercise price equal to a 40% premium of the 14 trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant (**Additional Convertible Note Options**). The Additional Convertible Notes and Additional Convertible Note Options will be issued on the same terms and condition as the Convertible Notes and Convertible Note Options.

The issue of the Shares on conversion of the Additional Convertible Notes (**Additional Convertible Note Shares**) and the issue of the Additional Convertible Note Options is subject to shareholder approval (refer to Resolutions 8 and 9). Quotation of the Additional Convertible Note Options is subject to the Additional Convertible Note Options meeting the requirements for quotation of additional securities pursuant to Listing Rule 2.5.

4.2 Consolidation

Subject to shareholder approval (refer to Resolution 5) the Company also intends to undertake a 25 to 1 consolidation of its Shares, Performance Rights and Options on issue (**Consolidation**). The record date and other key dates associated with the Consolidation are described in the indicative timetable in Section 4.3.

4.3 Indicative Timetable

The indicative timetable for the Convertible Note Raising and Consolidation is detailed below:

Event	Date
Company announces the Consolidation and Effective Date for Consolidation	Monday, 28 March 2022
Convertible Note Raising Funds Received	Wednesday, 30 March 2022
Notice of Meeting Despatched	Friday, 29 April 2022
Meeting Date	Monday, 30 May 2022
Notification to ASX of results of Meeting	Monday, 30 May 2022
Consolidation Effective Date	Monday, 30 May 2022
Last day for trading in Securities on a pre-Consolidation basis	Tuesday, 31 May 2022
Trading in post-Consolidation Securities commences on a deferred settlement basis	Wednesday, 1 June 2022
Record date for Consolidation	Thursday, 2 June 2022
Last day to register transfers on a pre-Consolidation basis	Thursday, 2 June 2022

First day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold	Friday, 3 June 2022
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold and to notify ASX that this has occurred	Thursday, 9 June 2022
Issue Date Deferred settlement trading ends / normal (T+2) trading resumes on next trading day	Thursday, 9 June 2022
Prospectus issued for Convertible Note Options and Advisor Options	Thursday, 9 June 2022
Issue Convertible Note Options, Advisor Options and Advisor Shares	Thursday, 9 June 2022
Conversion of Convertible Notes and Convertible Note Shares issued to Investors	Monday, 27 June 2022

The above timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the Listing Rules.

4.4 Use of Funds

The indicative use of funds of the Company from funds raised under the Convertible Note Raising and potential Additional Convertible Note Raising is set out in Schedule 2.

4.5 Dilution

The tables in Schedule 3 show:

- (a) the potential dilution effect on shareholders of the maximum number of Convertible Note Shares that may be issued upon conversion of the Convertible Notes, Convertible Note Options, Adviser Shares and Adviser Options on both a pre and post Consolidation basis; and
- (b) the potential dilution effect on shareholders of the maximum number of Additional Convertible Note Shares that may be issued upon conversion of the Additional Convertible Notes, Additional Convertible Note Options, Additional Adviser Shares and Additional Adviser Options on both a pre and post Consolidation basis (including the maximum number of Convertible Note Shares detailed in Section 4.5(a) above).

4.6 EverBlu Mandate

EverBlu acted as lead manager to the Convertible Note Raising pursuant to an ongoing corporate mandate (**Mandate**). Pursuant to the Mandate, EverBlu received a fee of A\$90,000 (6% of the total amount raised under the Convertible Note Raising). EverBlu is also entitled to receive an additional fee of A\$90,000 pursuant to the Additional Convertible Note Raising (6% of the total amount raised under the Additional Convertible Note Raising).

Subject to shareholder approval, the Company has also agreed to issue, under the Convertible Note Raising, 1,800,000 Shares (**Adviser Shares**) and 52,500,000 options (**Adviser Options**) (on a post Consolidation basis) each with an exercise price equal to a 40% premium of the 14 trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant. Assuming a subscription price of \$0.05

(on a post-Consolidation basis) the value of the Adviser Shares is \$90,000 and the value of the Adviser Options is \$312,000¹.

Subject to shareholder approval and if the Additional Convertible Note Raising occurs, EverBlu will be entitled to receive the same compensation as for the Capital Raising, being an issue of up to an additional 1,800,000 Shares (**Additional Adviser Shares**) and up to an additional 52,500,000 options (**Additional Adviser Options**) (on a post-Consolidation basis) each with an exercise price equal to a 40% premium of the 14 trading day VWAP of the Shares immediately prior to the date of issue and expiring two years from the date of grant. Assuming a subscription price of \$0.05 (on a post-Consolidation basis) the value of the Additional Adviser Shares is \$90,000 and the value of the Additional Adviser Options is \$312,000¹.

The Adviser Options and Additional Adviser Options will be issued on the same terms as the Convertible Note Options and quotation of the Adviser Options and Additional Adviser Options is subject to the Adviser Options and Additional Adviser Options meeting the requirements for quotation of additional securities pursuant to Listing Rule 2.5.

The Mandate is for an 18 month term and relates to the ongoing corporate advisory and capital raising services for the term of the Mandate. EverBlu is also entitled to a A\$15,000 per month services fee for the term of the Mandate in addition to the 6% of the gross amount for any future capital raisings. The Mandate may be terminated at any time by EverBlu.

5 Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report for the financial year-ended 31 December 2021 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;
- (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.

¹ Based on a Black Scholes valuation of the Adviser Options assuming a \$0.07 exercise price, risk free rate of 2.774% and estimated volatility rate of 75% for a value of \$0.06 per Option.

6 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 remuneration policy for the Company; 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 of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

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 (**Strike**) at two consecutive annual general meetings.

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

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment 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.

7 Resolution 2 – Re-election of Director – Mr George Su

7.1 General

Article 7.15 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 7.17 of the Constitution states that a Director who retires from office under Article 7.15 of the Constitution is eligible for re-election.

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

Details of the qualifications and experience of Mr George Su 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.

7.2 Board Recommendation

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

8 Resolutions 3 and 4 – Approval to Issue Performance Rights to Directors

8.1 General

The Company is proposing to issue:

- (a) up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Gerard Eakin (and/or his nominee) pursuant to Resolution 3; and
- (b) up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr George Su (and/or his nominee) pursuant to Resolution 4,

in lieu of Directors' fees accrued to Mr Eakin and Mr Su. The Performance Rights will be issued on the terms and conditions detailed in Schedule 4.

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of securities to a related party. Messrs Eakin and Su are each Directors and therefore related parties of the Company.

Resolutions 3 and 4 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 3 and 4.

8.2 Listing Rule 10.11

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

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

unless it obtains shareholder approval.

The issue of Performance Rights to Messrs Eakin and Su (and/or their nominees) falls within Listing Rule 10.11.1, as Messrs Eakin and Su are related parties to the Company, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 3 seeks the required shareholder approval to issue up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Eakin (and/or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 4 seeks the required shareholder approval to issue up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Su (and/or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolution 3 is passed, the Company will be able to proceed with the issue of up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Eakin (and/or his nominee) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the Performance Rights without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Eakin (and/or his nominee), and the Company will have to consider alternative means of compensating Mr Eakin in lieu of Directors' fees accrued to Mr Eakin.

If Resolution 4 is passed, the Company will be able to proceed with the issue of up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Su (and/or his nominee) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the Performance Rights without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of up to 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) to Mr Su (and/or his nominee), and the Company will have to consider alternative means of compensating Mr Su in lieu of Directors' fees accrued to Mr Su.

8.3 **Specific Information Required by Listing Rule 10.13**

The following information in relation to the Performance Rights is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) The Performance Rights will be issued to:
 - (i) Mr Gerard Eakin (and/or his nominee) pursuant to Resolution 3; and
 - (ii) Mr George Su (and/or his nominee) pursuant to Resolution 4.
- (b) Messrs Eakin and Su both fall within Listing Rule 10.11.1 as they are Directors and therefore related parties of the Company.
- (c) The maximum number of Performance Rights to be issued to:
 - (i) Mr Gerard Eakin (and/or his nominee) is 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) pursuant to Resolution 3; and
 - (ii) Mr George Su (and/or his nominee) is 20,000,000 Performance Rights on a pre-Consolidation basis (800,000 on a post-Consolidation basis) pursuant to Resolution 4.
- (d) A summary of the material terms of the Performance Rights is in Schedule 4.

- (e) The Performance Rights will be issued no later than one month after the date of the Meeting.
- (f) No funds will be raised by the issue of the Performance Rights as they are being issued for nil consideration.
- (g) The Performance Rights are being granted to Messrs Eakin and Su in lieu of accrued Directors' fees.
- (h) Messrs Eakin and Su are each entitled to an annual remuneration package of \$40,000 per year but neither director currently receives any remuneration from the Company and Directors' fees have been accrued. Subject to the passing of Resolutions 3 and 4, Messrs Eakin and Su will be issued Performance Rights in lieu of accrued Directors' fees.
- (i) Voting exclusion statements are included in the Notice for Resolutions 3 and 4.

8.4 **Board Recommendation**

The Board (other than Messrs Eakin and Su) recommends Shareholders vote in favour of Resolutions 3 and 4.

9 **Resolution 5 – Consolidation of Capital**

9.1 **Background**

Resolution 5 seeks Shareholder approval for the Consolidation (refer to Section 4.1 for further details).

The purpose of the Consolidation is to implement a more appropriate and effective capital structure for the Company and a share price more appealing to a broader range of investors.

Resolution 5 is an ordinary resolution.

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

9.2 **Corporates Act and Listing Rule requirements**

Section 254H of the Corporations Act provides that a Company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio. Similarly, the number or the conversion price (or both) of convertible securities (other than options) must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive.

9.3 **Effect of Resolution 5 on Shareholders**

The Company has 6,117,833,701 Shares (pre-Consolidation) on issue at the date of this Notice.

The Consolidation proposed by Resolution 5 will have the effect of reducing the number of shares on issue to approximately 244,713,348 Shares. Individual holdings will be reduced in accordance with the Consolidation ratio described in the Resolution.

The Consolidation applies equally to all members (subject only to the rounding of fractions), therefore, it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the

Company will not materially change solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each Share following the Consolidation should increase by 25 times its current value. Practically, the actual effect on the market price of each Share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each Share following Consolidation being higher or lower than the theoretical post Consolidation price.

9.4 Effect of Resolution 5 on Optionholders

The Company has 64,000,000 Options (pre-Consolidation) on issue at the date of this Notice.

In accordance with Listing Rule 7.22, and the terms of issue of the Options currently on issue, the Consolidation will involve a corresponding adjustment to Options, having the effect that the number of Options will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation ratio. The effect the Consolidation will have on the terms of Options is set out below:

Series	Number of Options Pre-Consolidation.	Exercise Price Pre-Consolidation.	Number of Options Post-Consolidation.	Exercise Price Post-Consolidation.	Expiry Date
1.	16,000,000	\$0.35	640,000	\$8.75	12 December 2026
2.	16,000,000	\$0.45	640,000	\$11.25	12 December 2026
3.	16,000,000	\$0.55	640,000	\$13.75	12 December 2026
4.	16,000,000	\$0.65	640,000	\$16.25	12 December 2026
Total	64,000,000	-	3,200,000	-	-

9.5 Effect of Resolution 5 on Performance Right holders

The Company has 36,363,636 Performance Rights (pre-Consolidation) on issue at the date of this Notice.

In accordance with Listing Rule 7.21, and the terms of issue of the Performance Rights currently on issue, the Consolidation will involve a corresponding adjustment to Performance Rights, having the effect that the number of Performance Rights will reduce in proportion to the ordinary share capital and the current vesting criteria will remain the same so that the holder of the Performance Rights does not receive a benefit that the holders of Shares do not receive. Unlike the Options, no amount is payable by the holder of a Performance Right in order to exercise that right. The effect the Consolidation will have on the Performance Rights is set out below:

Series	Number of Performance Rights	Number of Performance Rights	Expiry Date
	Pre-Consolidation	Post Consolidation	
1.	36,363,636	1,454,545	30 June 2022
Total	36,363,636	1,454,545	-

9.6 Fractional Entitlements

Where the Share Consolidation (and associated consolidation of the Company's Options and Performance Rights) results in an entitlement to a fraction of a Share, Option or Performance Right (as applicable), that fraction will be rounded up to the nearest whole number of Shares, Options or Performance Rights as applicable.

9.7 Tax implications

Shareholders, Optionholders and Performance Rights holders are encouraged to seek professional advice in relation to any tax implications which may arise as a result of the Consolidation. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders, Optionholders and Performance Rights holders about the tax consequences for them from the proposed Consolidation.

9.8 Holding Statements

From the Consolidation Effective Date, all holdings statements for Shares, Performance Rights and Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares, Performance Rights and Options on a post-Consolidation basis.

After the Consolidation Effective Date, the Company will arrange for new holding statements for Shares, Options and Performance Rights to be issued to holders of those Securities.

It is the responsibility of each Shareholder, Optionholder or Performance Right holder to check the number of Shares, Options or Performance Rights held prior to disposal.

9.9 Timetable for the Consolidation

Refer to Section 4.3 for the indicative timetable for the Consolidation.

9.10 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

10 Resolution 6 – Issue of the Convertible Note Shares

10.1 Background

Resolution 6 seeks Shareholder approval for the issue of up to 3,076,150,685 Shares on a pre-Consolidation basis (122,926,027 Convertible Note Shares on a post-Consolidation basis) pursuant to the Convertible Note Raising (refer to Section 4.1 for further details).

Resolution 6 is an ordinary resolution. Resolution 6 is subject to the approval of Resolutions 5 and 7.

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

10.2 Listing Rule 7.1

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

The issue of the Convertible Note Shares does not fall within any of these exceptions and the conversion of the Convertible Notes is specified as subject to shareholder approval. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 6 seeks the required Shareholder approval to issue the Convertible Note Shares under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Convertible Note Shares upon conversion of the Convertible notes. In addition, the issue of the Convertible Note Shares 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, the Company will not be able to proceed with the issue of the Convertible Note Shares, the Convertible Notes will not be able to be converted and the outstanding amount under the Convertible Notes will remain outstanding and payable by the Company.

10.3 Specific information required by Listing Rule 7.3

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

- (a) the Convertible Note Shares will be issued to sophisticated and professional investors (and/or their nominees) who are holders of the Convertible Notes who have been identified by EverBlu and the Company. None of the Investors are related parties, key management personnel, substantial shareholders or advisors of the Company or any associates of those persons;
- (b) the number of Convertible Note Shares to be issued to the Investors (and/or their nominees) will be calculated on the basis that each Convertible Note will convert into such number of Shares as given by the following formula:

$$\text{Number of Shares} = \frac{\text{OA}}{\text{CP}}$$

Where:

OA (Outstanding Amount) = the aggregate of:

- (i) the face value of all the Convertible Notes the subject of the convertible note certificate; and
- (ii) interest of 10% per annum capitalised and accrued.

CP (Conversion Price) = 75% of the 14 Trading Day VWAP of Shares immediately prior to the Conversion Date, subject to a maximum issue price per Share equal to the Ceiling Price and a minimum issue price per Share equal to the Floor Price.

Ceiling Price =

- (i) on a pre-Consolidation basis, \$0.002 per Share; and
- (ii) on a post-Consolidation basis, \$0.05 per Share.

Floor Price =

- (i) on a pre-Consolidation basis, \$0.0005 per Share; and
- (ii) on a post-Consolidation basis, \$0.0125 per Share.

The maximum number of Convertible Note Shares to be issued is 3,076,150,685 Shares on a pre-Consolidation basis (122,926,027 Shares on a post-Consolidation basis). The following table details the number of Convertible Note Shares to be issued at three different Conversion Prices:

Conversion Price (on a pre-Consolidation basis)	Number of Convertible Note Shares (on a pre-Consolidation basis)	Conversion Price (on a post-Consolidation basis)	Number of Convertible Note Shares (on a post-Consolidation basis)
A\$0.0005	3,073,150,685	A\$0.0125	122,926,027
A\$0.001	1,536,575,342	A\$0.025	61,463,014
A\$0.002	768,287,671	A\$0.05	30,731,507

- (c) the Convertible Note Shares 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 on issue;
- (d) the Convertible Note Shares will be issued on the Conversion Date, being no more than three months after the date of the Meeting;
- (e) the issue price of the Convertible Note Shares will be the Conversion Price calculated with the above formula;
- (f) no funds will be raised from the issue of the Convertible Note Shares as they are being issued pursuant to the conversion of the Convertible Notes. The indicative use of funds from the issue of the Convertible Notes is set out in Schedule 2;
- (g) the issue of the Convertible Note Shares are in connection with the Convertible Note Raising, the material terms of which are summarised in Section 4 and in Schedule 5; and
- (h) a voting exclusion statement is included in the Notice for Resolution 6.

10.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6.

11 Resolution 7 – Issue of the Convertible Note Options

11.1 Background

Resolution 7 seeks Shareholder approval for the issue of 52,500,000 Convertible Note Options (on a post-Consolidation basis) pursuant to the Convertible Note Raising (refer to Section 4.1 for further details).

Resolution 7 is an ordinary resolution. Resolution 7 is subject to the approval of Resolutions 5 and 6.

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

11.2 **Listing Rule 7.1**

Refer to Section 10.2 for a summary of Listing Rule 7.1.

The issue of the Convertible Note Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 7 seeks the required Shareholder approval to issue the Convertible Note Options under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Convertible Note Options. In addition, the issue of the Convertible Note 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 7 is not passed, the Company will not be able to proceed with the issue of the Convertible Note Options.

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

The following information in relation to the Convertible Note Options is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the Convertible Note Options will be issued to sophisticated and professional investors (and/or their nominees) who are holders of the Convertible Notes who have been identified by EverBlu and the Company. None of the Investors are related parties, key management personnel, substantial shareholders or advisors of the Company or any associates of those persons;
- (b) the maximum number of Convertible Note Options to be issued to the Noteholders (and/or their nominees) is 52,500,000 (on a post-Consolidation basis);
- (c) a summary of the material terms of the Convertible Note Options is in Schedule 6;
- (d) the Convertible Note Options will be issued no later than three months after the date of the Meeting;
- (e) no funds will be raised from the issue of the Convertible Note Options.
- (f) the issue of the Convertible Note Options are in connection with the Convertible Note Raising (refer to Section 4 for further details); and
- (g) a voting exclusion statement is included in the Notice for Resolution 7.

11.4 **Board Recommendation**

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

12 Resolution 8 – Issue of the Additional Convertible Note Shares

12.1 **Background**

Resolution 8 seeks Shareholder approval for the issue of up to 3,073,150,685 Additional Convertible Note Shares on a pre-Consolidation basis (122,926,027 Additional Convertible

Note Shares on a post-Consolidation basis) pursuant to the Additional Convertible Note Raising (refer to Section 4.1 for further details).

Resolution 8 is an ordinary resolution. Resolution 8 is subject to the approval of Resolutions 5 and 9.

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

12.2 Listing Rule 7.1

Refer to Section 10.2 for a summary of Listing Rule 7.1.

The issue of the Additional Convertible Note Shares does not fall within any of these exceptions and the conversion of the Additional Convertible Notes is specified as subject to shareholder approval. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 8 seeks the required Shareholder approval to issue the Additional Convertible Note Shares under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Additional Convertible Note Shares upon conversion of the Additional Convertible Notes. In addition, the issue of the Additional Convertible Note Shares 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 Additional Convertible Note Shares, the Additional Convertible Notes will not be able to be converted and the outstanding amount under the Additional Convertible Notes will remain outstanding and payable by the Company.

12.3 Specific information required by Listing Rule 7.3

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

- (a) the Additional Convertible Note Shares will be issued to sophisticated and professional investors (and/or their nominees) who are holders of the Additional Convertible Notes who have been identified by EverBlu and the Company. None of the Additional Investors will be related parties, key management personnel, substantial shareholders or advisors of the Company or any associates of those persons;
- (b) the number of Additional Convertible Note Shares to be issued to the Investors (and/or their nominees) will be calculated on the basis that each Additional Convertible Note will convert into such number of Shares as given by the following formula:

$$\text{Number of Shares} = \frac{\text{OA}}{\text{CP}}$$

Where:

OA (Outstanding Amount) = the aggregate of:

- (i) the face value of all the Convertible Notes the subject of the convertible note certificate; and
- (ii) interest of 10% per annum capitalised and accrued.

CP (Conversion Price) = 75% of the 14 Trading Day VWAP of Shares immediately prior to the Conversion Date, subject to a maximum issue price per Share equal to the Ceiling Price and a minimum issue price per Share equal to the Floor Price.

Ceiling Price =

- (i) on a pre-Consolidation basis, \$0.002 per Share; and
- (ii) on a post-Consolidation basis, \$0.05 per Share.

Floor Price =

- (i) on a pre-Consolidation basis, \$0.0005 per Share; and
- (ii) on a post-Consolidation basis, \$0.0125 per Share.

The maximum number of Additional Convertible Note Shares to be issued is 3,073,150,685 on a pre-Consolidation basis (122,926,027 Shares on a post-Consolidation basis). The following table details the number of Additional Convertible Note Shares to be issued at three different Conversion Prices:

Conversion Price (on a pre-Consolidation basis)	Number of Additional Convertible Note Shares (on a pre-Consolidation basis)	Conversion Price (on a post-Consolidation basis)	Number of Additional Convertible Note Shares (on a post-Consolidation basis)
A\$0.0005	3,073,150,685	A\$0.0125	122,926,027
A\$0.001	1,536,575,342	A\$0.025	61,463,014
A\$0.002	768,287,671	A\$0.05	30,731,507

- (c) the Additional Convertible Note Shares 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 on issue;
- (d) the Additional Convertible Note Shares will be issued on the Conversion Date, being no more than three months after the date of the Meeting;
- (e) the issue price of the Additional Convertible Note Shares will be the Conversion Price calculated with the above formula;
- (f) no funds will be raised from the issue of the Additional Convertible Note Shares as they are being issued pursuant to the conversion of the Additional Convertible Notes. The indicative use of funds for the issue of the Additional Convertible Notes is set out in Schedule 2;
- (g) the issue of the Additional Convertible Note Shares are in connection with the Additional Convertible Note Raising, the material terms of which are summarised in Section 4 and in Schedule 5; and
- (h) a voting exclusion statement is included in the Notice for Resolution 8.

12.4 Board Recommendation

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

13 Resolution 9 – Issue of the Additional Convertible Note Options

13.1 Background

Resolution 9 seeks Shareholder approval for the issue of 52,500,000 Additional Convertible Note Options (on a post-Consolidation basis) pursuant to the Additional Convertible Note Raising (refer to Section 4.1 for further details).

Resolution 9 is an ordinary resolution. Resolution 9 is subject to the approval of Resolutions 5 and 8.

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

13.2 Listing Rule 7.1

Refer to Section 10.2 for a summary of Listing Rule 7.1.

The issue of the Additional Convertible Note Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 9 seeks the required Shareholder approval to issue the Additional Convertible Note Options under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Additional Convertible Note Options. In addition, the issue of the Additional Convertible Note 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 9 is not passed, the Company will not be able to proceed with the issue of the Additional Convertible Note Options.

13.3 Specific information required by Listing Rule 7.3

The following information in relation to the Additional Convertible Note Options is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the Additional Convertible Note Options will be issued to sophisticated and professional investors (and/or their nominees) who are holders of the Additional Convertible Notes who have been identified by EverBlu and the Company. None of the Additional Investors will be related parties, key management personnel, substantial shareholders or advisors of the Company or any associates of those persons;
- (b) the maximum number of Additional Convertible Note Options to be issued to the Noteholders (and/or their nominees) is 52,500,000 (on a post-Consolidation basis);
- (c) a summary of the material terms of the Additional Convertible Note Options is in Schedule 6;
- (d) the Additional Convertible Note Options will be issued no later than three months after the date of the Meeting;
- (e) no funds will be raised from the issue of the Additional Convertible Note Options.
- (f) the issue of the Additional Convertible Note Options are in connection with the Additional Convertible Note Raising (refer to Section 4 for further details); and
- (g) a voting exclusion statement is included in the Notice for Resolution 9.

13.4 **Board Recommendation**

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

14 Resolution 10 – Issue of Securities to EverBlu

14.1 **Background**

Resolution 10 seeks Shareholder approval for the issue of 1,800,000 Adviser Shares (on a post-Consolidation basis) and 52,500,000 Adviser Options (on a post-Consolidation basis) pursuant to the Convertible Note Raising (refer to Section 4.6 for further details).

Resolution 10 is an ordinary resolution. Resolution 10 is subject to the approval of Resolution 5.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

14.2 **Listing Rule 7.1**

Refer to Section 10.2 for a summary of Listing Rule 7.1.

The issue of the EverBlu Securities does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 10 seeks the required Shareholder approval to issue the EverBlu Securities under and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed with the issue of the EverBlu Securities. In addition, the issue of the EverBlu Securities 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 10 is not passed, the Company will not be able to proceed with the issue of the EverBlu Securities and will have to agree different compensation for EverBlu.

14.3 **Specific information required by Listing Rule 7.3 – Adviser Shares**

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

- (a) the Adviser Shares will be issued to EverBlu Capital Corporate Pty Ltd (and/or its nominees). EverBlu is not a related party of the Company;
- (b) 1,800,000 Adviser Shares will be issued to EverBlu (and/or its nominees) (on a post-Consolidation basis);
- (c) the Adviser Shares 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 on issue;
- (d) the Adviser Shares will be issued no later than three months after the date of the Meeting;
- (e) the Adviser Shares will be issued for nil consideration as they are issued as consideration for services provided under the Mandate. No funds will be raised from the issue of the Adviser Shares;
- (f) the issue of the Adviser Shares are in connection with the Convertible Note Raising (refer to Section 4.1 for further details) and are issued pursuant to the Mandate (refer to Section 4.6 for a summary of the material terms of the Mandate); and

(g) a voting exclusion statement is included in the Notice for Resolution 10.

14.4 **Specific information required by Listing Rule 7.3 – Adviser Options**

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

- (a) the Adviser Options will be issued to EverBlu Capital Corporate Pty Ltd (and/or its nominees). EverBlu is not a related party of the Company;
- (b) 52,500,000 Adviser Options will be issued to EverBlu (and/or its nominees) (on a post-Consolidation basis);
- (c) the Adviser Options will be issued on the same terms as the Convertible Note Options, a summary of which is in Schedule 6;
- (d) the Adviser Options will be issued no later than three 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);
- (e) the Adviser Options will be issued for nil consideration as they are issued as consideration for services provided under the Mandate. No funds will be raised from the issue of the Adviser Options;
- (f) the issue of the Adviser Options are in connection with the Convertible Note Raising (refer to Section 4.1 for further details) and are issued pursuant to the Mandate (refer to Section 4.6 for a summary of the material terms of the Mandate); and
- (g) a voting exclusion statement is included in the Notice for Resolution 10.

14.5 **Board Recommendation**

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

15 **Resolution 11 – Issue of Additional Securities to EverBlu**

15.1 **Background**

Resolution 11 seeks Shareholder approval for the issue of up to 1,800,000 Additional Adviser Shares (on a post-Consolidation basis) and up to 52,500,000 Additional Adviser Options (on a post-Consolidation basis) pursuant to the Additional Convertible Note Raising (refer to Section 4.6 for further details).

Resolution 11 is an ordinary resolution. Resolution 11 is subject to the approval of Resolution 5.

The Chairperson intends to exercise all available proxies in favour of Resolution 11.

15.2 **Listing Rule 7.1**

Refer to Section 10.2 for a summary of Listing Rule 7.1.

The issue of the Additional EverBlu Securities does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 11 seeks the required Shareholder approval to issue the Additional EverBlu Securities under and for the purposes of Listing Rule 7.1.

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Additional EverBlu Securities. In addition, the issue of the Additional EverBlu Securities 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 11 is not passed, the Company will not be able to proceed with the issue of the Additional EverBlu Securities and will have to agree different compensation for EverBlu.

15.3 **Specific information required by Listing Rule 7.3 – Additional Adviser Shares**

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

- (a) the Additional Adviser Shares will be issued to EverBlu Capital Corporate Pty Ltd (and/or its nominees). EverBlu is not a related party of the Company;
- (b) up to 1,800,000 Additional Adviser Shares will be issued to EverBlu (and/or its nominees) (on a post-Consolidation basis);
- (c) the Additional Adviser Shares 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 on issue;
- (d) the Additional Adviser Shares will be issued no later than three months after the date of the Meeting;
- (e) the Additional Adviser Shares will be issued for nil consideration as they are issued as consideration for services provided under the Mandate. No funds will be raised from the issue of the Additional Adviser Shares;
- (f) the issue of the Additional Adviser Shares are in connection with the Additional Convertible Note Raising (refer to Section 4.1 for further details) and are issued pursuant to the Mandate (refer to Section 4.6 for a summary of the material terms of the Mandate); and
- (g) a voting exclusion statement is included in the Notice for Resolution 11.

15.4 **Specific information required by Listing Rule 7.3 – Additional Adviser Options**

The following information in relation to the Additional Adviser Options is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the Additional Adviser Options will be issued to EverBlu Capital Corporate Pty Ltd (and/or its nominees). EverBlu is not a related party of the Company;
- (b) up to 52,500,000 Additional Adviser Options will be issued to EverBlu (and/or its nominees) (on a post-Consolidation basis);
- (c) the Additional Adviser Options will be issued on the same terms as the Convertible Note Options, a summary of which is in Schedule 6;
- (d) the Additional Adviser Options will be issued no later than three 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);
- (e) the Additional Adviser Options will be issued for nil consideration as they are issued as consideration for services provided under the Mandate. No funds will be raised from the issue of the Adviser Options;
- (f) the issue of the Additional Adviser Options are in connection with the Additional Convertible Note Raising (refer to Section 4.1 for further details) and are issued pursuant to the Mandate (refer to Section 4.6 for a summary of the material terms of the Mandate); and

(g) a voting exclusion statement is included in the Notice for Resolution 11.

15.5 **Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 11.

16 Resolution 12 – Approval to Issue up to \$4,000,000 worth of Shares

16.1 **Background**

Resolution 12 seeks Shareholder approval under Listing Rule 7.1 for the issue of that number of Shares determined by \$4,000,000 divided by the Proposed Share Issue Price (**Proposed Shares**) (**Proposed Share Issue**).

The Proposed Share Issue Price will not be less than 80% of the 5 Trading Day VWAP of the Shares recorded prior to the announcement of the Proposed Share Issue.

Resolution 12 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 12.

16.2 **Listing Rule 7.1**

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

The issue of the 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 12 seeks Shareholder approval for the issue of up to that number of Shares determined by \$4,000,000 divided by the Proposed Share Issue Price under and for the purposes of Listing Rule 7.1.

If Resolution 12 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 12 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 16.3(g).

16.3 **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) The maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the Proposed Share Issue Price, equals \$4,000,000.
- (c) The table below provides examples of the maximum number of Shares that may be issued if Shareholders approve the Resolution. The table uses various issue prices to calculate the maximum number of Shares that may be issued assuming \$4,000,000 is raised by the Company:

Issue Price (\$ per Share) (on a pre-Consolidation basis)	Number of Proposed Shares (on a pre-Consolidation basis)	Number of Proposed Shares (on a post-Consolidation basis)
0.008	500,000,000	20,000,000
0.007	571,428,571	22,857,143
0.006	666,666,666	26,666,667
0.005	800,000,000	32,000,000
0.004	1,000,000,000	40,000,000
0.003	1,333,333,333	53,333,333
0.002	2,000,000,000	80,000,000
0.001	4,000,000,000	160,000,000

- (d) All Proposed Shares will be fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue.
- (e) The Proposed Shares will be issued no later than three months following the date of the Meeting. It is intended that the issue of Shares will occur progressively.
- (f) The issue price per Proposed Share will be calculated using the 5 Trading Day VWAP for Shares. For the purposes of the below examples it has been assumed that the issue price of the Proposed Shares will not be less than 80% of the 5 Trading Day VWAP.

Example 1: Using the current share price of \$0.002 at the time of preparing this Notice as being equivalent to the 5 Trading Day VWAP for illustration purposes, the issue price will not be less than 80% of \$0.002, which is \$0.0016 (on a pre-Consolidation basis). Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution would be approximately 2,500,000,000 (on a pre-Consolidation basis) or 100,000,000 (on a post-Consolidation basis).

Example 2: If the 5 Trading Day VWAP is decreased by 50% which is equal to \$0.0010, the issue price will not be less than 80% of \$0.0010, which is \$0.0008 (on a pre-Consolidation basis). Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution would be approximately 5,000,000,000 (on a pre-Consolidation basis) or 200,000,000 (on a post-Consolidation basis).

Example 3: If the 5 Trading Day VWAP is increased by 50% which is equal to \$0.0030, the issue price will not be less than 80% of \$0.0030, which is \$0.0024 (on a pre-Consolidation basis). Accordingly, the total number of Shares that may be issued pursuant to Shareholder approval for this Resolution would be approximately

1,666,666,667 (on a pre-Consolidation basis) or 66,666,667 (on a post-Consolidation basis).

Potential Dilution Effect:

Number of Shares (on a pre-Consolidation basis)	Total no. of Shares on issued post issue of Shares (on a pre-Consolidation basis)	Dilution Factor*	Total no. of Shares on issued post issue of Shares (on a post-Consolidation basis)	Dilution Factor*
2,500,000,000	8,617,833,701	29.01%	344,713,348	29.01%
5,000,000,000	11,117,833,701	44.97%	444,713,348	44.97%
1,666,666,667	7,784,500,368	21.41%	311,380,015	21.41%

*The dilution factor does not take into account the impact of any exercise of convertible Securities.

(g) The proceeds from the Proposed Share Issue will be used for the technical development of the Company's MotifMicro technology, software development of the Company's Connect platform, business development, marketing costs, research & development, and to pay for the transactions costs related to the Proposed Share Issue and for working capital and corporate purposes.

(h) A voting exclusion statement is included in the Notice for Resolution 12.

16.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 12.

17 Resolution 13 – Approval for 10% Placement Capacity

17.1 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 Facility**). The 10% Placement Facility 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 to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 17.2(c)).

If Resolution 13 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual

general meeting, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 13 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 13 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 13.

17.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities, being Shares and Listed Options.

(c) Formula for calculating 10% Placement Facility

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

(A) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(B) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(I) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

(II) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

(C) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(I) the agreement was entered into before the commencement of the relevant period; or

- (II) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4
- (D) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (E) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (F) less the number of Shares cancelled in the relevant period.

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 before the date of the issue or agreement to issue that are not issued with Shareholder approval 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 6,117,833,701 Shares (on a pre-Consolidation basis) and 244,713,348 Shares (on a post-Consolidation basis) and therefore has a capacity to issue:

- (i) 917,675,055 Equity Securities (on a pre-Consolidation basis) and 36,707,002 Equity Securities (on a post-Consolidation basis) under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 13, 611,783,370 Equity Securities (on a pre-Consolidation basis) and 24,471,334 Equity Securities (on a pre-Consolidation basis) 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 (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 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.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility 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 earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or

- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

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

17.3 Effect of Resolution

The effect of Resolution 13 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.

17.4 Specific information required by Listing Rule 7.3A

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

- (a) 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.
- (b) If Resolution 13 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk:
 - (i) that 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.

- (c) The below tables show 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 (on a pre-Consolidation and post-Consolidation basis).
- (d) The tables also show:
 - (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.

Pre-Consolidation Basis

Variable 'A' in	Dilution
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Listing Rule 7.1A.2		\$0.001	\$0.002	\$0.004
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A 6,117,833,701 Shares	10% Voting Dilution	611,783,370	611,783,370	611,783,370
	Funds raised	\$611,783	\$1,223,567	\$2,447,133
50% increase in current Variable A 9,176,750,552 Shares	10% Voting Dilution	917,675,055	917,675,055	917,675,055
	Funds raised	\$917,675	\$1,835,350	\$3,670,700
100% increase in current Variable A 12,235,667,402 Shares	10% Voting Dilution	1,223,566,740	1,223,566,740	1,223,566,740
	Funds raised	\$1,223,567	\$2,447,133	\$4,894,267

Post-Consolidation Basis

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in Issue Price	\$0.05 Issue Price	\$0.10 100% increase in Issue Price
Current Variable A 244,713,348 Shares	10% Voting Dilution	24,471,335	24,471,335	24,471,335
	Funds raised	\$611,783	\$1,223,567	\$2,447,133
50% increase in current Variable A 367,070,022 Shares	10% Voting Dilution	36,707,002	36,707,002	36,707,002
	Funds raised	\$917,675	\$1,835,350	\$3,670,700
100% increase in current Variable A 489,426,696 Shares	10% Voting Dilution	48,942,670	48,942,670	48,942,670
	Funds raised	\$1,223,567	\$2,447,133	\$4,894,267

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised 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 Facility, 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 Facility consists only of Shares.
 - (vii) The issue price is \$0.002, being the closing price of the Shares on ASX on 5 April 2022.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 13 for the issue of the Equity Securities 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 or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 3.10.3 and 7.1A(4) upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the 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).
- (i) 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.
- (j) During the 12-month period preceding the proposed date of the Meeting, being on and from 10 May 2021, the Company issued a total of 190,317,832 Equity Securities (on a pre-Consolidation basis) under Listing Rule 7.1A which represents

approximately 3.81% 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:

Date of Issue	Ordinary Shares	Persons issued to or basis of issue	Issue price	Consideration and use of funds
27 October 2021	190,317,832 (on a pre-Consolidation basis)	Sophisticated and professional investors who participated in the placement announced on 20 October 2021	\$0.0033 per Share on a pre-Consolidation basis (there was no discount to the prevailing share price at the time of issue)	\$628,049 cash. Funds raised formed part of the Company's cash balance which was used for the technical development of the Company's Motif Micro, business development, marketing costs and to pay for costs related to the October Placement and for general working purposes.

- (k) A voting exclusion statement is included in the Notice for Resolution 13. However, as at the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

17.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 13.

Schedule 1

Definitions

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

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 17.1.

10% Placement Period has the meaning given in Section 17.2(f).

Additional Adviser Options has the meaning given in Section 4.6.

Additional Adviser Shares has the meaning given in Section 4.6.

Additional Convertible Note Options has the meaning given in Section 4.1.

Additional Convertible Note Raising has the meaning given in Section 4.1.

Additional Convertible Note Shares has the meaning given in Section 4.1.

Additional EverBlu Securities means the Additional Adviser Shares and Additional Adviser Options.

Additional Investors has the meaning given in Section 4.1.

Adviser Options has the meaning given in Section 4.6.

Adviser Shares has the meaning given in Section 4.6.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2021.

ASIC means the Australian Securities and Investments Commission.

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

Auditor means the Company's auditor from time to time.

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

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party means:

- (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).

Consolidation has the meaning given in Section 4.1.

Consolidation Effective Date means the date indicated in the timetable in Section 4.3.

Constitution means the constitution of the Company.

Conversion Date means the date which is 20 Trading Days after the Meeting.

Conversion Price has the meaning given in Section 10.3.

Convertible Note has the meaning given in Section 4.1.

Convertible Note Conditions means the terms of the Convertible Notes summarised in 0.

Convertible Note Options has the meaning given in Section 4.1.

Convertible Note Raising has the meaning given in Section 4.1.

Convertible Note Shares has the meaning given in Section 4.1.

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

Director means a director of the Company.

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

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

EverBlu means EverBlu Capital Corporate Pty Ltd (ABN 50 642 215 343).

EverBlu Securities means the Adviser Shares and Adviser Options.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

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

Investors has the meaning given in Section 4.1.

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.

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Mandate has the meaning given in Section 4.6.

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

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Office means office as a Director.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

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

Proposed Shares has the meaning given in Section 16.1.

Proposed Share Issue has the meaning given in Resolution 16.1.

Proposed Share Issue Price means the issue price that is at least 80% of the VWAP of Shares calculated over the last five (5) days on which sales in the Shares were recorded before the issue of the relevant Shares.

Proxy Form means the proxy form attached to the Notice.

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

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

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.

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

VWAP means volume weighted average price.

Schedule 2
Use of Funds

Use of Funds	A\$1,500,000	%	A\$3,000,000	%
Technical development of MotifMicro including:				
<ul style="list-style-type: none"> • Development of the mobile application 	\$180,000	12%	\$360,000	12%
<ul style="list-style-type: none"> • Improvements to the algorithms and AI processing 	\$120,000	8%	\$240,000	8%
<ul style="list-style-type: none"> • Development of serialised particles 	\$105,000	7%	\$210,000	7%
Marketing and business development of products including:				
<ul style="list-style-type: none"> • Online marketing campaigns, outreach and joining industry publishers 	\$165,000	11%	\$330,000	11%
<ul style="list-style-type: none"> • Development of marketing materials, articles and videos 	\$195,000	13%	\$390,000	13%
<ul style="list-style-type: none"> • Attending industry exhibitions and events 	\$45,000	3%	\$90,000	3%
Working Capital including:				
<ul style="list-style-type: none"> • Purchase of equipment and materials 	\$45,000	3%	\$90,000	3%
<ul style="list-style-type: none"> • General overheads 	\$525,000	35%	\$1,050,000	35%
Costs of the Convertible Note Raising comprising:				
<ul style="list-style-type: none"> • Capital raising fee to EverBlu 	\$90,000	6%	\$180,000	6%
<ul style="list-style-type: none"> • Other professional fees 	\$30,000	2%	\$60,000	2%
TOTAL	\$1,500,000	100%	\$3,000,000	100%

Schedule 3

Dilution

Pre-Consolidation – Convertible Note Raising

Assuming the number of Shares on issue at the time of conversion is 6,117,833,701 and no other shares are issued prior to conversion.

Conversion Price	Number of Shares issued on conversion of Convertible Notes	Dilution to Shareholders	Number of Shares issued on conversion of Convertible Notes, issue of Adviser Shares and exercise of Convertible Note Options and Adviser Options	Dilution to Shareholders
\$0.0005	3,073,150,685	33.44%	11,860,984,386	48.42%
\$0.002	768,287,671	11.16%	9,556,121,372	35.98%

Post-Consolidation – Convertible Note Raising

Assuming the number of Shares on issue at the time of conversion is 244,713,348 and no other shares are issued prior to conversion.

Conversion Price	Number of Shares issued on conversion of Convertible Notes	Dilution to Shareholders	Number of Shares issued on conversion of Convertible Notes, issue of Adviser Shares and exercise of Convertible Note Options and Adviser Options	Dilution to Shareholders
\$0.0125	122,926,027	33.44%	474,439,375	48.42%
\$0.05	30,731,507	11.16%	382,244,855	35.98%

Pre-Consolidation – Convertible Note Raising and Additional Convertible Note Raising

Assuming the number of Shares on issue at the time of conversion is 6,117,833,701 and no other shares are issued prior to conversion.

Conversion Price	Number of Shares issued on conversion of Convertible Notes and Additional Convertible Notes	Dilution to Shareholders	Number of Shares issued on conversion of Convertible Notes, Additional Convertible Notes, issue of Adviser Shares and Additional Adviser Shares and exercise of Convertible Note Options, Additional	Dilution to Shareholders
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			Convertible Note Options, Adviser Options and Additional Adviser Options	
\$0.0005	6,146,301,370	50.12%	17,604,135,071	65.25%
\$0.0020	1,536,575,342	20.07%	12,994,409,043	52.92%

Post-Consolidation – Convertible Note Raising and Additional Convertible Note Raising

Assuming the number of Shares on issue at the time of conversion is 244,713,348 and no other shares are issued prior to conversion.

Conversion Price	Number of Shares issued on conversion of Convertible Notes	Dilution to Shareholders	Number of Shares issued on conversion of Convertible Notes, Additional Convertible Notes, issue of Adviser Shares and Additional Adviser Shares and exercise of Convertible Note Options, Additional Convertible Note Options, Adviser Options and Additional Adviser Options	Dilution to Shareholders
\$0.0125	245,852,055	50.12%	704,165,403	65.25%
\$0.0500	61,463,014	20.07%	519,776,362	52.92%

Schedule 4

Summary of the Terms of the Performance Rights

The terms and conditions of the Performance Rights are as follows:

1.1 Offer of Performance Rights

Each Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Performance Right.

1.2 Performance Criteria and Variation to Performance Criteria

(a) The Number of Performance Rights, Expiry Date and Performance Criteria of each Performance Right is referred to in the table below.

Recipient	Number of Performance Rights (pre-Consolidation)	Expiry Date	Performance Criteria
Gerard Eakin	20,000,000	30 June 2023	<ul style="list-style-type: none">Continuously hold a Non-Executive Director role on the Company's Board from 1 January 2022 to 31 December 2022.If the holder ceases to be a Director at any time during the vesting period, the Performance Rights will be pro-rated for the time served until the cessation date and become exercisable.
George Su	20,000,000	30 June 2023	<ul style="list-style-type: none">Continuously hold a Non-Executive Director role on the Company's Board from 1 January 2022 to 31 December 2022.If the holder ceases to be a Director at any time during the vesting period, the Performance Rights will be pro-rated for the time served until the cessation date and become exercisable

(b) Performance Rights will only vest and entitle the holder to be issued Shares if the applicable Performance Criteria (if any) have been satisfied prior to the Expiry Date, waived by the Board, or are deemed to have been satisfied under these terms and conditions.

1.3 Satisfaction of Performance Criteria

The Board will determine in its sole discretion whether (and, where applicable, to what extent) the holder has satisfied the Performance Criteria (if any) applicable to the Performance Rights. As soon as practicable after making that determination the Board must allot and issue, or transfer, the number of Shares for which the holder is entitled to acquire upon satisfaction of the Performance Criteria for the relevant number of Performance Rights held in accordance with clause 1.5.

1.4 Lapse of Performance Rights

Where Performance Rights have not satisfied the Performance Criteria by the Expiry Date those Performance Rights will automatically lapse.

1.5 **Timing of the Issue of Shares and Quotation**

The Company must within twenty (20) business days after the later of the following:

- (a) the satisfaction of the Performance Criteria (if any) applicable to the Performance Rights; and
- (b) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.3,

the Company will:

- (c) allot and issue the Shares pursuant to the vesting of the Performance Rights;
- (d) as soon as reasonably practicable and 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
- (e) apply for official quotation on ASX of Shares issued pursuant to the vesting of the Performance Rights.

1.6 Notwithstanding clause 1.5 above, the Company's obligation to issue such Shares shall be postponed if such holder at any time after the relevant Performance Criteria are satisfied pursuant to clause 1.3 elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

- (a) the Shares to be issued or transferred will be held by such holder on the Company's issuer sponsored sub-register (and not in a CHESSE sponsored holding);
- (b) the Company will apply a holding lock on the Shares to be issued or transferred and such holder is taken to have agreed to that application of that holding lock;
- (c) the Company shall release the holding lock on the Shares on the earlier to occur of:
 - (i) the date that is twelve (12) months from the date of issue of the Share; or
 - (ii) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - (iii) the date a transfer of the Shares occurs pursuant to clause 1.6(d) of these terms and conditions; and
- (d) Shares shall be transferable by such holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in clause 1.6(c)(i).

1.7 **Shares Issued**

Shares issued on the satisfaction of the Performance Criteria attaching to the Performance Rights rank equally with all existing Shares.

1.8 **Quotation of the Shares Issued on Exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Performance Rights.

1.9 Reorganisation

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the holder who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

1.10 Holder Rights

A holder who holds Performance Rights is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders; or
- (b) receive any dividends declared by the Company,
- (c) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights, or
- (d) cash for the Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Performance Rights are satisfied and the holder holds Shares.

1.11 Pro Rata Issue of Securities

- (a) If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.
- (b) A holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

1.12 Adjustment for Bonus Issue

If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the holder is then entitled, shall be increased by that number of securities which the holder would have been issued if the Performance Rights then held by the holder were vested immediately prior to the record date for the bonus issue.

1.13 Change of Control

For the purposes of these terms and conditions, a Change of Control Event occurs if:

- (a) 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) resulting in a person acquiring a Relevant Interest in more than fifty percent (50%) of the issued Shares and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
 - (i) is announced;
 - (ii) has become unconditional; and
 - (iii) the person making the Takeover Bid has a Relevant Interest in more than fifty percent (50%) of the issued Shares; or

(c) any person acquires a Relevant Interest in more than fifty percent (50%) of the issued Shares by any other means.

1.14 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria have been satisfied.

1.15 **Quotation**

The Company will not seek official quotation of any Performance Rights.

1.16 **Performance Rights Not Property**

A holder's Performance Rights are personal contractual rights granted to the holder only and do not constitute any form of property.

1.17 **No Transfer of Performance Rights**

The Performance Rights cannot be transferred to or vest in any person other than the holder.

Schedule 5

Summary of the Terms of Convertible Notes

1.	Face Value	Each Convertible Note has a face value of \$1.00
2.	Ceiling Price	(a) on a pre-Consolidation basis, \$0.002 per Share; and (b) on a post-Consolidation basis, \$0.05 per Share.
3.	Floor Price	(a) on a pre-Consolidation basis, \$0.0005 per Share; and (b) on a post-Consolidation basis, \$0.0125 per Share.
4.	Interest	10% per annum (accruing daily) capitalised at the earlier of conversion, redemption or termination.
5.	Maturity Date	Six (6) months from the date of issue (Issue Date) of the Convertible Notes (Maturity Date)
6.	Conversion	(a) Subject to shareholder approval, all Convertible Notes shall automatically convert into fully paid ordinary shares in YPB (Shares) (Conversion) on the Conversion Date. (b) The number of Shares to be issued pursuant to a Conversion will be calculated by dividing the loan amount plus any interest accrued and capitalised (Outstanding Amount) for that Noteholder by a conversion price equal to 75% of the 14 Trading Day VWAP of Shares immediately prior to the Conversion Date, subject to a maximum Share price equal to the Ceiling Price and a minimum issue price per Share equal to the Floor Price (Conversion Price). (c) Conversion Date means the date which is 20 Trading Days after shareholder approval is obtained. (d) Unless the Convertible Notes have otherwise being converted or redeemed, subject to the Company obtaining shareholder approval, on the Maturity Date or on the date that is 20 business days following receipt of written notice in accordance with Item 9(b) below, all the Convertible Notes will automatically be converted into such number of Shares as is determined by dividing the Outstanding Amount by the Conversion Price. (e) If shareholders do not approve the Conversion, the Outstanding Amount will be repayable in immediately available funds at the Maturity Date.
7.	Redemption and Repayment	(a) At anytime during the Outstanding Period, the Company may redeem all the Convertible Notes by giving the Noteholder 5 business days written notice of the redemption and paying the Outstanding Amount. (b) Outstanding Period means the period commencing on the Issue Date and concluding on the Maturity Date. (c) Unless fully converted or redeemed by the Company, the Company must redeem all Convertible Notes by repaying the

		<p>Outstanding Amount on the Termination Date.</p> <p>(d) Termination Date means the earlier to occur of:</p> <p>(i) the Maturity Date; and</p> <p>(ii) the date that is 20 Business Days following receipt by the Company of a notice from the Convertible Noteholder which makes a declaration in accordance with Item 9(b) below.</p>
8.	Events of Default	<p>(a) Events of Default under the Convertible Note include:</p> <p>(i) the Company fails to make, within 20 business days of the due date, any payment due in accordance with the Convertible Note Conditions; or</p> <p>(ii) the Company suffers an insolvency event.</p> <p>(b) On the occurrence of an Event of Default, the Noteholder may by written notice to the Company declare all of the Convertible Notes due and payable and demand the payment of the Outstanding Amount.</p>

Schedule 6

Terms of Convertible Note Options

(c) **Entitlement**

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

(d) **Exercise Price, Expiry Date and Vesting Conditions**

Exercise Price per Option	Expiry Date
40% premium to the 14 Trading Day VWAP of the Shares immediately prior to the date of issue (being a post-Consolidation date (as defined in the Convertible Note Conditions))	Two years from the date of issue

(e) **Exercise Price**

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

(f) **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.

(g) **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.

(h) **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. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(i) **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.

(j) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five (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:

- (i) 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
- (ii) 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.

(k) **Participation in new issues**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) 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.

(l) **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):

- (i) 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
- (ii) no change will be made to the Exercise Price.

(m) **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.

(n) **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.

(o) **Quotation of Options**

The Company will apply for quotation of the Options on ASX. Subject to satisfying the ASX requirements for quotation as an additional class, the Options will be quoted on ASX. If the ASX requirements are not satisfied after then, the Options will not be quoted on ASX.

(p) **Options transferable**

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

(q) **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.



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
- ☎ **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 Saturday, 28 May 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ypbagm2022>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



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.

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.

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 Saturday, 28 May 2022.** 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/ypbagm2022>

📠 **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

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 Limited** (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 virtually **on Monday, 30 May 2022 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 Resolutions 1,4 & 5 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 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 Resolutions 1,4&5). 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*		FOR	AGAINST	ABSTAIN*	
Res 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Issue of Additional Convertible Note Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Re-election of Mr George Su as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Issue of Additional Convertible Note Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval to issue up to 20,000,000 (pre-consolidation Performance Rights to Director – Gerard Eakin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Issue of Securities to EverBlu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Approval to issue up to 20,000,000 (pre-consolidation Performance Rights to Director – George Su	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11	Issue of Additional Securities to EverBlu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 12	Approval to Issue up to \$4,000,000 worth of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Issue of the Convertible Note Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13	Approval for 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7	Issue of the Convertible Note Options	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary