# DXN LIMITED ACN 620 888 548 NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am AEDST

**DATE**: Monday, 28 November 2022

**PLACE**: 5 Parkview Drive

Sydney Olympic Park Sydney, NSW 2127

The Company is pleased to provide Shareholders with the opportunity to attend and participate in the Meeting virtually, through an online meeting platform where Shareholders will be able to participate and vote online.

#### Click on this link to register

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

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

An Explanatory Statement containing additional information on matters to be considered at the Meeting accompanies and forms part of this Notice.

Terms used in this Notice have the meaning given to them in the Glossary set out in the Explanatory Statement, unless the context requires otherwise.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am AEDST on Saturday, 26 November 2022.

# BUSINESS OF THE MEETING

# **AGENDA**

# 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD CARDEN

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

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Richard Carden, a Director, retires by rotation, and being eligible, is re-elected as a Director."

# 4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

# 5. RESOLUTION 4 – RATIFICATION OF ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 220,697,225 Shares on the terms and conditions set out in the Explanatory Statement."

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

# 6. RESOLUTION 5 - RATIFICATION OF ISSUE OF PLACEMENT SHARES - LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,302,775 Shares on the terms and conditions set out in the Explanatory Statement."

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

# 7. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chair of the Meeting for identification purposes."

Dated: 27 October 2022

By order of the Board

George Lazarou Company Secretary

# **Voting Prohibition Statement**

Resolution 1 – Adoption of Remuneration Report		ote on this Resolution must not be cast (in any capacity) by or or alf of either of the following persons:  a member of the Key Management Personnel, details o whose remuneration are included in the Remuneration Report; or		
	(b)	a Closely	Related Party of such a member.	
	Resolutio	n as a p	(the <b>voter</b> ) described above may cast a vote on this roxy if the vote is not cast on behalf of a person and either:	
	(a)		r is appointed as a proxy by writing that specifies the proxy is to vote on this Resolution; or	
	(b)	the vote proxy:	r is the Chair and the appointment of the Chair as	
		(i)	does not specify the way the proxy is to vote on this Resolution; and	
		(ii)	expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.	

# **Voting Exclusion Statements**

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

A person who participated in the issue (namely the Placement participants) or an associate of that person or those persons.
A person who participated in the issue (namely the Placement participants) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting (**Chair**) as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

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

Shareholders and their proxies should be aware that:

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

# Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

# **Voting virtually**

Shareholders who wish to vote virtually on the day of the Meeting will need to click on this link to register: Click on this link to register

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

#### **EXPLANATORY STATEMENT**

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

ASX takes no responsibility for the contents of this Notice.

# 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at https://dxn.solutions.

# 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

# 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

# 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

# 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD CARDEN

#### 3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Richard Carden, who has served as a Director since 4 August 2017 and was last re-elected on 23 November 2020, retires by rotation and seeks re-election.

# 3.2 Qualifications and other material directorships

Mr Carden is an Asia based business leader with over 25 years of experience in the telecoms, data centre and IT industry. Mr Carden has a solid track record in driving sales productivity and revenue growth. He was previously the SVP Global Enterprise Sales for Speedcast (ASX: SDA). Mr Carden joined Speedcast in 2013 when the company had just been acquired for circa A\$40M and as part of the Executive team developed the M&A plus organic growth strategy that allowed the company to list in 2014 and achieve a market cap of over A\$1.5B in 2018. Prior, Mr Carden was the Global SVP for Pacnet and responsible for over 300 sales staff and revenues of more than A\$800M. Earlier, Mr Carden spent almost 10 years in Japan in roles that included President & CEO of Verizon, Japan.

# 3.3 Independence

If re-elected, the Board does not consider Mr Carden will be an independent Director.

#### 3.4 Board recommendation

The Board has reviewed Mr Carden's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Carden and recommends that Shareholders vote in favour of Resolution 2.

# 4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

#### 4.1 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (7.1A Mandate).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$13,770,519 (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 October 2022.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

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

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

# 4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

# (i) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (A) the date that is 12 months after the date of this Meeting;
- (B) the time and date of the Company's next annual general meeting; and
- (C) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

# (ii) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

(A) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or

(B) if the Equity Securities are not issued within 10 trading days of the date in Section **Error! Reference source not found.**, the date on which the Equity Securities are issued.

# (iii) Use of funds raised under the 7.1A Mandate

The Company intends to apply funds raised from issues of Equity Securities under the 7.1A Mandate towards repaying its debts, provide working capital for its data centre businesses and make a distribution to its Shareholders.

# (iv) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 18 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution				
			Issue Price			
Number	of Shares on	Shares issued –	\$0.004	\$0.008	\$0.012	
•	/ariable A in Rule 7.1A.2)	10% voting dilution	50% decrease	Issue Price	50% increase	
				Funds Raised		
Current	1,721,314,836 Shares	172,131,483 Shares	\$688,526	\$1,377,052	\$2,065,578	
50% increase	2,581,972,254 Shares	258,197,225 Shares	\$1,032,789	\$2,065,578	\$3,098,367	
100% increase	3,442,629,672 Shares	344,262,967 Shares	\$1,377,052	\$2,754,104	\$4,131,156	

<sup>\*</sup>The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a prorata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

#### The table above uses the following assumptions:

- 1. There are currently 1,721,314,836 Shares on issue.
- 2. The issue price set out above is the closing market price of the Shares on the ASX on 18 October 2022 (being \$0.008).
- 3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.

- 4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- 5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- 6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- 8. 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%.
- 9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

# (v) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (A) the purpose of the issue;
- (B) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (C) the effect of the issue of the Equity Securities on the control of the Company;
- (D) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (E) prevailing market conditions; and
- (F) advice from corporate, financial and broking advisers (if applicable).

# (vi) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 26 November 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 28 November 2021, the Company issued 29,302,775 Shares pursuant to the Previous Approval (**Previous Issue**) (for which ratification is sought pursuant to Resolution 5), which represent approximately 1.35% of the total diluted number of Equity Securities on issue in the Company on 28 November 2021, which was 2,164,963,535.

The Company has not agreed to issue any securities under the Previous Approval that have not yet been issued.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 11 August 2022  Date of Appendix 2A: 11 August 2022
Recipients	PURE and sophisticated investors. The recipients were identified through a bookbuild process, which involved the Directors and Fresh Equities Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
Number and Class of Equity Securities Issued	29,302,775 Shares
Issue Price and discount to Market Price <sup>1</sup> (if any)	\$0.0085 per share, which represents a 70% premium to Market Price.
Total Cash Consideration and Use of Funds	Amount raised: \$249,074  Amount spent: \$Nil  Use of funds: funding the Company's working capital position.  Amount remaining: \$249,074  Proposed use of remaining funds <sup>3</sup> : Working capital

#### Notes:

- Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- 2. Fully paid ordinary shares in the capital of the Company, ASX Code: DXN (terms are set out in the Constitution).
- 3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

# 4.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

# 5. RESOLUTIONS 4 AND 5 – RATIFICATION OF ISSUE OF PLACEMENT SHARES – LISTING RULES 7.1 AND 7.1A

# 5.1 General

As announced on 9 August 2022, the Company undertook a placement comprising the issue of 250,000,000 Shares at an issue price of \$0.0085 per Share (**Placement Shares**) to raise \$2.125 million (**Placement**). The Placement Shares were issued on 11 August 2022.

The Placement Shares were issued as follows:

- (a) 220,697,225 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 4); and
- (b) 29,302,775 Placement Shares were issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 5), which was approved by Shareholders at the annual general meeting held on 26 November 2021.

The Company agreed to pay a 6% Placement fee on funds raised.

# 5.2 Listing Rules 7.1 and 7.1A

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 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 26 November 2021.

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

#### 5.3 Listing Rule 7.4

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

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

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

# 5.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 4 and 5 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

# 5.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Placement Shares were issued to PURE and sophisticated investors. The recipients were identified through a bookbuild process, which involved the Directors and Fresh Equities Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that substantial holders of the Company received Placement Shares as follows:
  - (i) Andrew Walsh was issued 17,503,162 Placement Shares. Mr Walsh holds 7.54% of the Company's issued capital as at the date of this Notice of Meeting; and
  - (ii) Mr Roy Wong was issued 25,000,000 Placement Shares. DC Alliance Pte Ltd, of which Mr Wong is an associate and Mr Wong together holds 9.52% of the Company's issued capital as at the date of this Notice of Meeting;
- (c) Other than the parties set out in (b)(i)-(b)(ii), none of the recipients were:
  - (i) related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (d) 250,000,000 Placement Shares were issued on the following basis:
  - (i) 220,697,225 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
  - (ii) 29,302,775 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5);

- (e) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Placement Shares were issued on 11 August 2022;
- (g) the issue price was \$0.0085 per Placement Shares under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares:
- (h) the purpose of the issue of the Placement Shares was to raise \$2.125 million, which will be used to fund the Company's working capital position up until the expected completion date of the potential transaction as announced on 5 August 2022; and
- (i) the Placement Shares were not issued under an agreement.

#### 6. RESOLUTION 6 - REPLACEMENT OF CONSTITUTION

#### 6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 6 April 2020.

The Proposed Constitution contains amendments to reflect regulatory developments and to more closely align the Constitution to the Corporations Act and ASX Listing Rules. These include amendments to facilitate the use of technology at general meetings of the Company.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

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

In addition, a copy of the Proposed Constitution (in mark-up against the existing Constitution) is available for review by Shareholders at the Company's website https://dxn.solutions and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request by contacting the Company Secretary at 1300 328 239.

# 6.2 Summary of material proposed changes

# Registered Joint Holders (clause 9.8)

ASX has announced that the Australian Clearing House Electronic Subregister System (CHESS), which is the system used by ASX to record shareholdings and manage the clearing and settlement of share transactions, will be replaced with a new system (CHESS Replacement). Currently under CHESS, holder registration details (e.g. holders' names addresses and other details) are recoded in an unstructured format limited to 180 characters. The new system will record holder registration details in a structured format which is currently anticipated to enable up to four joint holders to be recorded in relation to shares.

To accommodate this proposed development, clause 9.8 of the Constitution is proposed to be amended to provide that the number of registered holders of securities in the Company will be as permitted under the Listing Rules and ASX Settlement Operating Rules.

# Reduction of Capital (clause 10.2)

The Proposed Constitution includes a new provision in which each Shareholder who will hold a parcel of less than a Marketable Parcel following a reduction of capital pursuant to clause 10.2 acknowledges that, subject to compliance with the Listing Rules and Corporations Act, the Company may arrange for a nominee to dispose of any of its entitlement to participate in any issue of Shares by the Company to Shareholders.

# Use of Technology at General Meetings (new clause 14)

The Proposed Constitution includes a new provision which allows the Company, to the extent permitted under the Corporations Act, ASX Listing Rules and any other applicable law, to convene a general meeting using virtual technology only, or at two or more venues, provided that the form of technology used provides all shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.

This new provision reflects recent amendments made to the Corporations Act by the Corporations Amendment (Meetings and Documents) Act 2022 (Cth) (Corporations Amendment Meetings and Documents Act). One of these amendments provides that a company may hold a meeting of its members using virtual meeting technology only if this is required or permitted by the company's constitution. The new provision contains this permission.

Where a general meeting is held using virtual technology only or at two or more venues using any form of technology:

- (a) a Shareholder participating in the meeting is taken to be present in person at the meeting;
- (b) any documents required or permitted to be tabled at the meeting will be taken to have been tabled at the meeting if the document is given, or made available, to the persons entitled to attend the meeting (whether physically or using technology) before or during the meeting; and
- (c) the meeting is taken to be held at the physical venue set out in the notice of meeting, or at the registered office of the Company if the meeting is held using virtual technology only.

To the extent permitted under the Corporations Act, ASX Listing Rules and any other applicable law, any document that is required or permitted to be given to a Shareholder that relates to a Shareholders' meeting (including, but not limited to, the notice of meeting) may be distributed:

- (a) by means of electronic communication; or
- (b) by giving the Shareholder (by means of an electronic communication or otherwise) sufficient information to allow the person to access the document electronically,

in accordance with the Corporations Act. This also reflects the recent amendments made by the Corporations Amendment Meetings and Documents Act.

Other changes to facilitate the use of technology have also been made to clauses 1.2 (Interpretation) and 27 (Notices).

# 6.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 6 to adopt the Proposed Constitution.

#### **GLOSSARY**

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

**ASX** means ASX Limited (ACN 008 624 691).

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

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

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or DXN means DXN Limited (ACN 620 888 548).

Corporations Act means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

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

**PURE** means PURE Asset Management Pty Ltd (ACN 616 178 771) as trustee for The Income and Growth Fund (ABN 80 976 293 282).

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

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

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



# **Proxy Voting Form**

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

Your proxy voting instruction must be received by 10.00am (AEDT) on Saturday, 26 November 2022, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

# **SUBMIT YOUR PROXY**

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

#### YOUR NAME AND ADDRESS

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

#### STEP 1 - APPOINT A PROXY

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

#### DEFAULT TO THE CHAIR OF THE MEETING

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

#### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

#### APPOINTMENT OF SECOND PROXY

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

#### SIGNING INSTRUCTIONS

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

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

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

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

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

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

# CORPORATE REPRESENTATIVES

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

# **Lodging your Proxy Voting Form:**

#### Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic GPO Box 5193 Sudneu NSW 2001

#### IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

#### BY EMAIL:

 $\underline{meetings@automicgroup.com.au}$ 

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

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

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

APPOINT A PROXY:  I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of DXN Limited, to be held at 10.00am (AEDT) on Monday, 28 November 2022 at 5 Parkview Drive, Sydney Olympic Park, Sydney, NSW 2127 hereby:								
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.								
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.  Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.  AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS  Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.								
STEP 2 – Your voting direction								
Resolutions For Against Abstain								
Adoption of Remuneration Report								
Re-election of Director – Mr Richard Carden								
3. Approval of 7.1A mandate								
4. Ratification of issue of placement shares — Listing Rule 7.1								
5. Ratification of issue of placement shares — Listing Rule 7.1A								
6. Replacement of Constitution								
STEP 3 – Signatures and contact details								
Individual or Securityholder 1 Securityholder 2 Securityholder 3  Sole Director and Sole Company Secretary Contact Name:  Director Director / Company Secretary								
Contact Name:								
Email Address:								
Contact Daytime Telephone  Date (DD/MM/YY)  By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).								

STEP 1 - How to vote