

Douugh Extraordinary General Meeting – Notice and Proxy Form

Sydney 3 February 2023 – [Douugh](#) Ltd (ASX: DOU), the consumer fintech on a mission to empower everyday Australians to better manage & grow their money to build long term wealth, announces that it will hold an Extraordinary General Meeting on Tuesday, 7 March 2023 at 1:30pm (AEDT) / 10:30am WST ("Meeting") at Level 2, 160 St Georges Tce, Perth Western Australia ("Location").

In accordance with amendments to the Corporations Act 2001 (Cth) under the Corporations Amendment (Meetings and Documents) Act 2022 (Cth), the Company will not be sending hard copies of the Notice of Extraordinary General Meeting and Explanatory Memorandum ("Notice") to Shareholders (unless a Shareholder has requested a hard copy). Instead, Shareholders can access a copy of the Notice online:

- Via the Company's website [douugh.com](#)
- Via the Company's ASX announcements page at [www2.asx.com.au/markets/company/dou](#) under the Company's ASX code "DOU"; and
- If you have provided an email address and have elected to receive electronic communications for the Company, via an email to your nominated email address with a link to an electronic company of the Notice.

The Company intends to hold a physical meeting at the Location without the use of video conferencing technology. However, to minimise the risk to Shareholders, the Company and its ongoing operations, Shareholders are encouraged to vote by proxy instead of attending the meeting at the Location. Accordingly, the proxy form provided within the Notice and enclosed to this letter should be filled out by Shareholders intending to vote by proxy, with specific instructions on how the Shareholder's vote is to be exercised by the proxy. For details on how to complete and submit the proxy form to the Company, please refer to the instructions in the Notice.

The Board may make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify Shareholders of any changes by way of an ASX announcement, and the details will also be made available on our website.

If you are unable to access the Notice through the abovementioned means, please contact the Company Secretary on +61 8 6380 2555 or at secretary@douugh.com between 9:00am and 5:00pm (WST) on Monday to Friday who will arrange for a copy of the Notice to be provided to you. Shareholders are encouraged to monitor the Company's website for any further updates in relation to the arrangements for the Meeting.

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About Dough

[Dough](#) is a consumer fintech, on a mission to help customers autonomously manage and grow their money to live financially healthier lives. Dough was founded in 2016 by Andy Taylor, Co-founder of SocietyOne, Australia's first P2P Lending platform, recently acquired by MoneyMe.

For more information contact:

Investor

info@dough.com

Media

press@dough.com

ASX Release approved by the Board.

DOUGH LIMITED

ACN 108 042 593

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1:30pm (AEDT)/ 10:30am (WST)

DATE: 7 March 2023

PLACE: Level 2, 160 St Georges Tce, Perth WA 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 5 March 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION 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 34,725,757 Shares to Placement Participants on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – RATIFICATION OF 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 84,024,243 Shares to Placement Participants on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 118,750,000 Options to the Placement Participants on the terms and conditions set out in the Explanatory Statement."

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

4. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 20,000,000 Options to the Lead Manager (or its nominee/s) on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – APPROVAL FOR DIRECTOR PARTICIPATION IN PLACEMENT – ANDREW TAYLOR

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,562,500 Shares and up to 1,562,500 Options to Andrew Taylor (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – 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 chairman of the Meeting for identification purposes."

7. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR DEREK HALL

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Performance Rights to Mr Derek Hall (or his nominee) under Employee Incentive Securities Plan on the terms and conditions set out in the Explanatory Statement."

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

Dated: 3 February 2023

By order of the Board

**Derek Hall
Company Secretary and Director**

Voting Exclusion Statements

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

Resolution 1 – Ratification of Prior issue of Placement Shares – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely, the Placement Participants) or an associate of that person or those persons.
Resolution 2 – Ratification of Prior issue of Placement Shares – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely, the Placement Participants) or an associate of that person or those persons.
Resolution 3 – Approval to issue Placement Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants or an associate of that person (or those persons)).
Resolution 4 - Approval to issue Lead Manager Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Lead Manager (or its nominee/s) or an associate of that person (or those persons)).
Resolution 5 – Issue of Securities to Andrew Taylor (Director Participation In Placement)	Andrew Taylor (or their 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.
Resolution 7 – Issue of Securities to Derek Hall (Incentive performance rights)	Derek Hall (or their 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 the Resolution by:

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6380 2555.

EXPLANATORY STATEMENT

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

1. BACKGROUND TO RESOLUTIONS

1.1 Placement

On 19 December 2022, the Company announced the issuance of 118,750,000 Shares under a placement to unrelated professional and sophisticated investors at an issue price of \$0.016 per Share (**Placement Shares**) (**Placement**). The Company has agreed, subject to obtaining Shareholder approval, to issue participants in the Placement (**Placement Participants**), one free attaching Option for every one Placement Shares subscribed for and issued under the Placement (being, 118,750,000 Options) (**Placement Options**).

The Placement Options are exercisable at \$0.04 each, on or before on 31 August 2024. The full terms and conditions of the Placement Options are set out in Schedule 1

On 19 December 2022, the Company issued 34,725,757 Placement Shares pursuant to the Company's existing placement capacity under Listing Rule 7.1 and 84,024,243 Placement Shares pursuant to the Company's existing placement capacity under Listing Rule 7.1A. Accordingly, the Company is seeking Shareholder approval to ratify the issues of Placement Shares pursuant to Listing Rule 7.4 under Resolutions 1 and 2.

In addition, the Company is seeking Shareholder approval for the issue of the Placement Options under Listing Rule 7.1 to the Placement Participants pursuant to Resolution 3.

Director, Andrew Taylor, wishes to participate in the Placement on the same terms as unrelated participants in the Placement (**Director Participation**). According, the Company is seeking Shareholder approval to issue Director Participation Shares and Director Participation Options pursuant to Resolution 5.

Canaccord Genuity (Australia) Limited (**Canaccord**) has been engaged as lead manager and corporate advisor to the Placement (**Lead Manager**). In consideration for its services to the Company, Canaccord will receive the following fees:

- (a) a capital raising fee of 2% of the total amount raised under the Placement (plus GST);
- (b) a management fee of 2% of the total amount raised under the Placement (plus GST); and
- (c) subject to Shareholder approval, the issue of 20,000,000 Options, exercisable at \$0.024 each on or before the date that is three years from the date of issue (the **Lead Manager Options**).

The full terms and conditions of the Lead Manager Options are set out in Schedule 2. The Company is seeking Shareholder for the issue of the Lead Manager Options to Canaccord pursuant to Resolution 4.

The Company notes that the offer of the Placement Options and the Lead Manager Options will be made pursuant to a prospectus to be lodged with the ASIC on 8 March 2023 (**Prospectus**), after shareholder approval has been obtained at this meeting.

1.2 Use of Funds

The funds raised under the Placement are intended to be used to accelerate: the Dough platform's take-up in Australia with marketing and promotional activity aimed at customer acquisition across key digital channels; research and development of the platform roadmap including delivery of ASX share and digital currency trading; offer costs and as additional working capital. Please refer to the Company's announcement on the Placement dated 12 December 2022 for further detail regarding the use of funds raised under the Placement.

1.3 Indicative Timetable

Event	Date
Announcement of Placement and lodge Appendix 3B with ASX (prior to commencement of trading)	12 December 2022
Issue of Shares under the Placement, and lodge Appendix 2A and Cleansing Notice with ASX	19 December 2022
Quotation of Placement Shares	19 December 2022
Date of General Meeting to approve issue of Placement Options, Lead Manager Options, Director Participation Shares and Director Participation Options	7 March 2023
Lodgement of Prospectus with the ASIC and ASX	8 March 2023
Opening date of offers under Prospectus	9 March 2023
Closing date of offers under Prospectus	10 March 2023
Issue of Director Participation Shares, issue of Options under the Prospectus, lodgement of Appendix 2A	10 March 2023
Expected date of Official Quotation of the Options on ASX	10 March 2023

**The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date of the offers, close the offers early or extend the date of issue of the Options without notice.*

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULES 7.1 AND 7.1A

2.1 General

As set out in Section 1 above, on 19 December 2022, the Company issued 118,750,000 Placement Shares at an issue price of \$0.016 per Placement Share to the Placement Participants under the Placement raising \$1,900,000.

34,725,757 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 and 84,024,243 Placement Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 30 November 2022.

2.2 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 shares it had on issue at the start of that period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2022.

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 utilises 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.

2.3 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 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares. Resolutions 1 and 2 can be approved independently of one another.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 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 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rule 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

2.5 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 1 and 2:

- (a) the Placement Shares were issued to sophisticated and professional investor clients of the Lead Manager. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 118,750,000 Placement Shares were issued on the following basis:
 - (i) 34,725,757 Placement Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 84,024,243 Placement Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 19 December 2022;
- (f) the issue price was \$0.016 per Placement Share under both issues of Placement Shares pursuant to Listing Rules 7.1 and 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (g) the purpose of the issue of the Placement Shares was to raise \$1,900,000, which the Company intends to apply on the basis set out in Section 1.2;
- (h) the Placement Shares were not issued under an agreement.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

3.1 General

As set out in Section 1 above, the Company is seeking Shareholder approval to issue the Placement Participants one Placement Option for every one Placement Shares subscribed for and issued under the Placement.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of Placement Options to the Placement Participants.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement 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 3 is not passed, the Company will not be able to proceed with the issue of the Placement Options.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

3.3 Technical information required by Listing Rule 7.3

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

- (a) the Placement Options will be issued to sophisticated and professional investor clients of the Lead Manager who participated in the Placement. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Placement Options to be issued is 118,750,000. The terms and conditions of the Placement Options are set out in Schedule 1
- (d) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (e) the Placement Options will be issued at a nil issue price as the Placement Options will be issued free attaching with the Placement Shares issued under the Placement on a one to one basis;
- (f) the Placement Options are not being issued under an agreement; and
- (g) the Placement Options are not being issued under, or to fund, a reverse takeover.

4. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

4.1 General

As set out in Section 1.1 above, the Company is proposing to issue 20,000,000 Lead Manager Options in part consideration for services provided to the Company by Canaccord as Lead Manager to the Placement.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager 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 4 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options. If this occurs, the Company will make a cash payment of \$270,000 to Canaccord in lieu of the Lead Manager Options.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

4.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Lead Manager Options will be issued to Canaccord (or its nominee/s) as Lead Manager;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of these recipients are:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company (aside from a signed mandate agreement to complete the Placement) or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Lead Manager Options to be issued is 20,000,000. The terms and conditions of the Lead Manager Options are set out in Schedule 2;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;

- (e) the Lead Manager Options will be issued at a nil issue price, in part consideration for services provided by Canaccord to the Company as Lead Manager of the Placement;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy part of the Company's obligations under the lead manager mandate entered into with Canaccord (**Lead Manager Mandate**), a summary of which is set out in Section 1.1; and
- (g) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

5. RESOLUTION 5 – ISSUE OF SECURITIES TO ANDREW TAYLOR (DIRECTOR PARTICIPATION IN PLACEMENT)

5.1 General

Director, Andrew Taylor, wishes to participate in the Placement on the same terms as unrelated participants in the Placement as set out in Section 1.1 above (**Director Participation**).

Accordingly, Resolution 5 seeks Shareholder approval for the issue of 1,562,500 Shares (**Director Participation Shares**) and 1,562,500 Options (**Director Participation Options**) to Andrew Taylor (or their nominee) (**Director Participation Securities**), as a result of the Director Participation on the terms set out below.

5.2 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Director Participation will result in the issue of Director Participation Securities which constitutes giving a financial benefit and Andrew Taylor, is a related party of the Company by virtue of being a Director.

The Directors (other than Andrew Taylor who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Participation because the Director Participation Securities will be issued to Andrew Taylor (or his nominee) on the same terms as Securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

5.3 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 the approval of its shareholders.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 5 seeks Shareholder approval for the Director Participation under and for the purposes of Listing Rule 10.11.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Director Participation Securities under the Director Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Participation Securities in respect of the Director Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Director Participation Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Director Participation Securities under the Director Participation and no further funds will be raised in respect of the Placement.

5.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Director Participation Securities will be issued to Andrew Taylor (or their nominee), who falls within the category set out in Listing Rule 10.11.1, as Andrew Taylor is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Director Participation Shares and Director Participation Options to be issued to Andrew Taylor (or their nominee) is 1,562,500 Director Participation Shares and 1,562,500 Director Participation Options;

- (c) the Director Participation Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the terms and conditions of the Director Participation Options are set out in Schedule 1;
- (e) the Director Participation Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Participation Securities will be issued on the same date;
- (f) as set out in Section 1.1, the Company issued 118,750,000 Placement Shares, and is proposing to issue one free attaching Placement Option for every one Placement Share subscribed for at an issue price of \$0.016 per Placement Share raising \$1,900,000 (before costs). The issue price of the Director Participation Shares is the same issue price as all other shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Director Participation Securities (other than in respect of funds received on exercise of the Director Participation Options);
- (g) the purpose of the issue of Director Participation Securities is to raise up to an additional \$25,000 (before costs) under the Placement, which the Company intends to use in the manner set out in Section 1.2 above;
- (h) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (i) the Director Participation Securities are not being issued under an agreement; and
- (j) a voting exclusion statement is included in Resolution 5 of the Notice.

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 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 Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 19 August 2013.

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 Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in 19 August 2013;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution].

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 changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <https://dough.com/au/investors> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6380 2555). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Minimum Securityholding (clause 3)

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Partial (proportional) takeover provisions (new clause 37)

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

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

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

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;

- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR DEREK HALL

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to the following amounts of Performance Rights to Mr Derek Hall (or his nominee) (the Recipient):

- 3,000,000 Performance Rights comprising:
 - (i) 1,000,000 Class A Performance Rights;
 - (ii) 1,000,000 Class B Performance Rights; and
 - (iii) 1,000,000 Class C Performance Rights,

pursuant to the Employee Incentive Securities Plan (Incentive Plan) and on the terms and conditions set out below (Incentive Performance Rights).

7.2 Vesting conditions

The Incentive Plan provides that the Board will determine the vesting conditions that must be satisfied by a participant before the Incentive Performance Right vests in the holder. Accordingly, the Board has determined (in line with its 2022 AGM) that the Incentive Performance Rights the subject of Resolution 7 will be subject to the vesting conditions set out below.

Performance Rights	Vesting Conditions
Class A Performance Rights	The Company's 10-day VWAP being equal to or greater than a market capitalisation of \$25,000,000 subject to the relevant person being a director of the Company at the time.
Class B Performance Rights	The Company's 10-day VWAP being equal to or greater than a market capitalisation of \$35,000,000 subject to the relevant person being a director of the Company at the time.
Class C Performance Rights	The Company's 10-day VWAP being equal to or greater than a market capitalisation of \$45,000,000 subject to the relevant person being a director of the Company at the time.

As stated in the Incentive Plan, a vesting condition must be satisfied (or waived) by the Board before an Incentive Performance Right will vest.

For the full terms and conditions of the Incentive Performance Rights, refer to Schedule 3.

7.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Performance Rights to the Recipient constitutes giving a financial benefit as the Recipient is a related party of the Company by virtue of being a Director.

The Directors (other than Derek Hall who has a material personal interest in the Resolution) have considered the proposed issue and, taking into account the circumstances of the Company and the remuneration practices of other similar entities, considers that the financial benefits provided to Mr Hall by way of the issue of Shares (together with the other elements of his remuneration package) constitute reasonable remuneration. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

7.4 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to the Recipient falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14. Resolution 7 seek the required Shareholder approval for the issue of the Incentive Performance Rights under Listing Rule 10.14.

7.5 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Recipient under the Incentive Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Recipient under the Incentive Plan and the Company will consider other forms of remuneration, including by

the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

7.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 7:

- (a) the Incentive Performance Rights will be issued to Derek Hall (or his nominee) (the Recipient); who falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to the Recipient (being the nature of the financial benefit proposed to be given) is 3,000,000, to be issued to Derek Hall (or his nominee) pursuant to Resolution 7.
- (c) No Performance Rights have previously been issued under the current Incentive Plan to Mr Derek Hall (or his nominee);
- (d) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 3;
- (e) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Recipient for the following reasons:
 - (i) the Incentive Performance Rights are unquoted meaning the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Incentive Performance Rights will further align the interests of the Recipient with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed; and
 - (iv) to maintain remuneration arrangements that are market-competitive,
- the number of Incentive Performance Rights to be issued to the Recipient has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Recipient; and
 - (iii) incentives to attract and ensure continuity of service/retain the service of the Recipient who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;

- the total remuneration package for the Recipient for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Derek Hall	\$85,000 ¹	n/a ²

Notes:

- (i) Comprising director fees of \$28,000 and share-based payments of \$57,000 (being the value of the Incentive Performance Rights to be approved).
 - (ii) Not a defined related party in the prior year.
- the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 4;
 - (i) the Incentive Performance Rights will be issued to the Recipient no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
 - (ii) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
 - (iii) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Recipient to further align the interests of the Recipient with those of Shareholders, to motivate and reward the performance of the Recipient in his role as Director and to provide a cost effective way from the Company to remunerate the Recipient, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Recipient;
 - (iv) a summary of the material terms and conditions of the Incentive Plan is set out in Schedule 3;
 - (v) no loans are being made to the Recipient in connection with the acquisition of the Incentive Performance Rights;
 - (vi) details of any Performance Rights issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
 - (vii) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Incentive Plan who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
 - (viii) the relevant interests of the Recipient in securities of the Company as at the date of this Notice are set out below:

Related Party Recipient	Shares ¹
Derek Hall	300,000

Notes:

- 1. Fully paid ordinary shares in the capital of the Company (ASX: DOU).
- if the milestones attaching to the Incentive Performance Rights issued to the Recipient are met and the Incentive Performance Rights are converted, a total of 3,000,000 Shares would be issued. This will increase the number of Shares on issue from 982,335,867 (being the total number

of Shares on issue as at the date of this Notice) to 985,335,867 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.31%;

- the trading history of the Shares on ASX in the 12 months before the date of this Notice is as follows:

Shareholder	Shares	Date
Highest	0.067	19 January 2022
Lowest	0.012	11 January 2023
Last	0.013	25 January 2023

- Mr Derek Hall declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of that Resolution; and
- the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 7.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Dough Limited (ACN 108 042 593).

Constitution means the Company's constitution.

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.

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

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

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement Participants means sophisticated and professional investors who participated in the Placement.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS AND DIRECTOR PARTICIPATION OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on 31 August 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Quotation**

The Company will apply for quotation of the Options on ASX.

SCHEDULE 2 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.024 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

(m) **Quotation**

The Company will apply for quotation of the Options on ASX.

SCHEDULE 3 – TERMS AND CONDITIONS OF THE EMPLOYEE INCENTIVE SECURITIES PLAN

A summary of the material terms of the Employee Incentive Securities Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options and Performance Rights (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right). Prior to a Convertible Security being exercised, the holder: (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Performance Rights section below).

Vesting of Convertible Securities	Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
Exercise of Convertible Securities and cashless exercise	To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
Timing of issue of Shares and quotation of Shares on exercise	As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
Restrictions on dealing with Convertible Securities	A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them. However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.
Listing of Convertible Securities	A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
Forfeiture of Convertible Securities	Convertible Securities will be forfeited in the following circumstances: (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the

	Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the expiry date..
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of Convertible Securities	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of those Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
Plan Shares	The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board. Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.
Rights attaching to Plan Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security (Plan Shares), will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares issued upon exercise of a Convertible Security and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.
Disposal restrictions on Plan Shares	If the invitation provides that any Plan Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to

	ensure the compliance by the Participant with this restriction. For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not: (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Shares	If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued on exercise of an Performance Right may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act. Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information. Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.
Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Maximum number of Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) – refer to Resolution 8 and Section 7.2.
Amendment of Plan	Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the

	manner agreed between the Company and the Participant.
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

SCHEDULE 4 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Recipient pursuant to Resolution 7 have been valued using the Trinomial Barrier Option valuation model, and based on the assumptions set out below, the Performance Rights were ascribed the following value:

Item	
Value of the underlying Shares	0.02
Valuation date	20 October 2022
Commencement of performance/vesting period	20 October 2022
Performance measurement/vesting date	various
Expiry date	20 October 2025
Term of the Performance Right	3 years
Volatility (discount)	100%
Risk-free interest rate	2.00%
Total Value of Performance Rights	
- Derek Hall (Resolution 7)	\$57,000

Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

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

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **10:30am (WST) on Sunday, 5 March 2023**, 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
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

AUTOMIC

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.

[illegible]

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.

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Resolutions		For	Against	Abstain
1.	Ratification of Placement Shares – Listing Rule 7.1	☐	☐	☐
2.	Ratification of Placement Shares – Listing Rule 7.1A	☐	☐	☐
3.	Approval to Issue Placement Options	☐	☐	☐
4.	Approval to Issue Lead Manager Options	☐	☐	☐
5.	Approval for Director Participation in Placement – Andrew Taylor	☐	☐	☐
6.	Replacement of Constitution	☐	☐	☐
7.	Issue of Incentive Performance Rights to Director – Mr Derek Hall	☐	☐	☐

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	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).