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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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The following documents were sent to shareholders today in relation to the Extraordinary General Meeting of Carly Holdings Limited (ASX:CL8) (**Carly** or the **Company**) to be held on Wednesday, 26 July 2023 at 11:00 am (AEST):

1. Letter to Shareholders regarding the Notice of Meeting
2. Notice of Meeting
3. Proxy Form.

This announcement was authorised to be given to ASX by the Board of Directors of Carly Holdings Limited.

**Authorised by:**

**Chris Noone**  
**CEO and Director**  
**Carly Holdings Limited**

**For more information please contact:**

Chris Noone  
CEO and Director  
Carly Holdings Limited  
E: [shareholder@carly.co](mailto:shareholder@carly.co)

**About Carly Holdings Limited**

Carly Holdings Limited (ASX:CL8) [investors.carly.co/](https://investors.carly.co/) is listed on the Australian Securities Exchange. It is Australia's leading listed company focused on providing innovative mobility solutions for consumers and the automotive industry. Carly Holdings operates [www.Carly.co](https://www.Carly.co), Australia's first flexible car subscription service.



28 June 2023

Dear Shareholder,

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Carly Holdings Limited (ACN 066 153 982) (the **Company** or **Carly**) is convening an Extraordinary General Meeting on Wednesday, 26 July 2023 at 11:00 am (AEST).

In accordance with section 110D of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting to Shareholders unless they have made a valid election to receive documents by hard copy. The Notice of Meeting can be viewed and downloaded from the Company's website at <https://investors.carly.co/investor-relations/asx-announcements/>.

A copy of your personalised Proxy Form is enclosed for your convenience.

In order to receive shareholder communications by email and make elections as to receipt of documents from the Company in the future, please log on to the registry portal <https://investor.automic.com.au/#/home> and update your 'Communication Preferences' under 'My Details'.

Once logged in, you can also lodge your proxy vote online. **The Company strongly encourages Shareholders to lodge a directed proxy vote online or by form in accordance with the instructions on the Proxy Form prior to the meeting.** Your proxy vote must be received by 11:00 am (AEST) on Monday, 24 July 2023. Any proxy vote received after that time will not be valid for the meeting.

The Notice of Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your professional advisers prior to voting. If you have questions about the Meeting and voting arrangements or have any difficulties obtaining the Notice of Meeting, please email the Company Secretary at [shareholder@carly.co](mailto:shareholder@carly.co).

Yours faithfully,

**CARLY HOLDINGS LIMITED**



Chris Noone  
CEO and Executive Director





CARLY HOLDINGS LIMITED

ABN 60 066 153 982

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

Wednesday, 26 July 2023

**Time of Meeting**

11:00 am (AEST)

**Place of Meeting**

Suite 3, Level 7,  
189 Kent Street, Sydney NSW 2000

**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.

Should you have any questions regarding the matters in this document please do not hesitate to contact the Company Secretary via email at [shareholder@carly.co](mailto:shareholder@carly.co).



## NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Carly Holdings Limited (**Company** or **Carly**) is to be held on Wednesday, 26 July 2023 at Suite 3, Level 7, 189 Kent Street, Sydney NSW 2000, commencing at 11:00 am (AEST).

### BUSINESS

#### **Resolution 1 – Ratification of Prior Issue of Shares under Listing Rule 7.1 - Tranche 1 Placement Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,562,961 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 2 – Ratification of Prior Issue of Shares under Listing Rule 7.1A - Tranche 1 Placement Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,437,039 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 3 – Approval to issue Options under Listing Rule 7.1 – Tranche 2 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 ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 25,000,000 Options to the subscribers of the placement the subject of Resolutions 1 and 2 on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 4 – Approval to issue Shares and Options under Listing Rule 7.1 – Tranche 2 Placement Securities**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,800,000 Shares and 5,400,000 Options on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 5 – Approval to issue Placement Participation Securities to Stephen Abolakian**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Shares and 1,000,000 Options to Stephen Abolakian (a Director) or his nominee on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 6 – Approval to issue Placement Participation Securities to Chris Noone**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,200,000 Shares and 600,000 Options to Chris Noone (a Director) or his nominee on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 7 – Approval to issue Options to Peak Asset Management pursuant to Corporate Advisory Engagement**

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

*“That, for purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Copeak Corporate Pty Ltd as trustee for The Trustee for Peak Asset Management Unit Trust or its nominee under the Corporate Advisory Engagement on the terms and conditions set out in the Explanatory Memorandum.”*

**DATED THIS 28<sup>TH</sup> JUNE 2023  
BY ORDER OF THE BOARD**



**Karen Logan**  
*Company Secretary*

#### **VOTING EXCLUSION STATEMENTS**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of:

1. Resolutions 1 and 2: by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the recipients of the Tranche 1 Placement Securities) or any associates of those persons.
2. Resolution 3 and 4: by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Tranche 2 Placement Securities (except a benefit solely by reason of being a Shareholder) or any associates of those persons.
3. Resolution 5: by or on behalf of Stephen Abolakian and any other person who will obtain a material benefit as a result of the proposed issue of the Tranche 2 Placement Securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
4. Resolution 6: by or on behalf of Chris Noone and any other person who will obtain a material benefit as a result of the proposed issue of the Tranche 2 Placement Securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.
5. Resolution 7: by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Options (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Copeak Corporate Pty Ltd as trustee for The Trustee for Peak Asset Management Unit Trust) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **EXPLANATORY MEMORANDUM**

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

#### **VOTING ENTITLEMENTS**

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 7:00 pm (AEST) on Monday, 24 July 2023 will be entitled to attend and vote at the Meeting.

#### **VOTING BY PROXY**

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 11:00 am (AEST) on Monday, 24 July 2023.



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.

The Company strongly encourages Shareholders to lodge a directed proxy online or by form in accordance with the instructions on the Proxy Form prior to the Meeting.

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Automic Registry Services or the Company will need to verify your identity. You can register from 10:30 am (AEST) on the day of the Meeting.

#### **CORPORATE REPRESENTATIVE**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

#### **ATTORNEYS**

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 11:00 am (AEST) on Monday, 24 July 2023. Previously lodged powers of attorney will be disregarded by the Company.

#### **QUESTIONS**

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting by email to the Company Secretary at [shareholder@carly.co](mailto:shareholder@carly.co).



## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Extraordinary General Meeting of Carly Holdings Limited (**Company** or **Carly**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

### 1. Resolutions 1 and 2 – Ratification of Prior Issue of Shares and Options under Listing Rules 7.1 and 7.1A - Tranche 1 Placement Shares

#### 1.1 General

On 9 June 2023, the Company announced a placement to sophisticated and professional investors and existing shareholders, of 64,000,000 Shares at an issue price of \$0.025 per Share together with 32,000,000 free-attaching Options (on the basis of one (1) Option for every two (2) Shares subscribed for and issued) (together, the **Placement Securities**) raising \$1,600,000 before costs (**Placement**), of which:

- 29,562,961 Shares were issued on 16 June 2023 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is being sought under Resolution 1);
- 20,437,039 Shares were issued on 16 June 2023 pursuant to the Company's 7.1A Mandate which was approved by Shareholders at the annual general meeting held on 17 November 2022 under Listing Rule 7.1A (ratification of which is being sought under Resolution 2),  
(together, **Tranche 1 Placement Shares**);
- 10,800,000 Shares and 30,400,000 Options will be issued upon receipt of all necessary regulatory and shareholder approvals (approval of which is being sought under Resolutions 3 and 4) (**Tranche 2 Placement Securities**); and
- 3,200,000 Shares and 1,600,000 Options will be issued to Directors Stephen Abolakian and Chris Noone upon receipt of all necessary regulatory and shareholder approvals (approval of which is being sought under Resolutions 5 and 6) (**Placement Participation Securities**).

The Options are quoted under ASX code CL8O and have an exercise price of \$0.06 per Option and an expiry date of 31 October 2024. The terms and conditions of the Options are detailed in Schedule 1.

Funds from the Placement (after costs) will be used for vehicle supply and marketing, operating and corporate administration, artificial intelligence and platform integration and general working capital.

The Company engaged the services of Copeak Corporate Pty Ltd (ACN 632 277 144) as trustee for The Trustee for Peak Asset Management Unit Trust (AFSL 382585) (**Peak Asset Management**) to act as corporate advisor to the Placement. The Company agreed to pay Peak Asset Management a fee of 6% of the amount raised under the Placement and 10,000,000 Options (approval of which is being sought under Resolution 7) in consideration for corporate advisor services provided. A summary of the material terms of the Corporate Advisory Engagement with Peak Asset Management are detailed in Section 4.2.

#### 1.2 ASX 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 the period.

Under Listing Rule 7.1A, 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% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes and obtained approval to increase its limit to 25% at the annual general meeting held on 17 November 2022.

The Company is therefore able to issue equity securities up to a combined 25% limit under Listing Rules 7.1 and 7.1A without any further Shareholder approval required.

The issue of Tranche 1 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 the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, and all of the 10% limit in Listing Rule 7.1A reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue date of the Tranche 1 Placement Shares.

### 1.3 ASX Listing Rule 7.4

Listing Rule 7.4 allows 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 be 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 into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 or 7.1A. Accordingly, Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of Tranche 1 Placement Shares.

### 1.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the 29,562,961 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the 29,562,961 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is passed, the 20,437,039 Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 17 November 2023.

If Resolution 2 is not passed, the 20,437,039 Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 17 November 2023.

### 1.5 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) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the other recipients of the Placement Securities 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,
- other than:
- 10 Bolivianos Pty Ltd, an entity controlled by Niv Dagan, who is an executive director of Peak Asset Management, corporate advisor to the Placement (issued 3,000,000 Tranche 1 Placement Shares and proposed to be issued 1,500,000 Options, approval of which is being sought under Resolution 3); and
  - Ms Chunyan Niu, who will become a substantial shareholder of the Company (issued 7,000,000 Tranche 1 Placement Shares and proposed to be issued a further 7,000,000 Shares and 7,000,000 Options, approval of which is being sought under Resolutions 3 and 4).
- (b) the Tranche 1 Placement Shares were issued as follows:
- (i) 29,562,961 Shares pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is being sought under Resolution 1); and
  - (ii) 20,437,039 Shares pursuant to the Company's 7.1A Mandate which was approved by Shareholders at the annual general meeting held on 17 November 2022 under Listing Rule 7.1A (ratification of which is being sought under Resolution 2);
- (c) the issue price per Tranche 1 Placement Share was \$0.025 together with free attaching Options on the basis of one (1) Option for every two (2) Shares subscribed for and issued. The Company has not and will not receive any other consideration for the issue of the Placement Securities (other than in respect of funds received on exercise of the Placement Options);
- (d) the Tranche 1 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 Tranche 1 Placement Shares were issued on 16 June 2023;
- (f) the Tranche 1 Placement Shares were issued to sophisticated and professional investors and existing Shareholders who were identified and selected by Peak Asset Management acting as corporate advisor to the Placement. None of the subscribers for Tranche 1 Placement Shares were related parties of the Company;

- (g) the purpose of the issue of the Tranche 1 Placement Shares was to raise funds, which the Company intends to use in the manner set out in Section 1.1 above;
- (h) the Tranche 1 Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement has been included for the Resolutions.

#### 1.6 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolutions.

#### 1.7 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolutions.

## **2. Resolutions 3 and 4 – Approval to issue Shares and Options under Listing Rule 7.1 – Tranche 2 Placement Securities**

### 2.1 General

As set out in Section 1.1 above, the Company has received firm commitments to issue the Tranche 2 Placement Securities, subject to receipt of all necessary regulatory and shareholder approvals. Further details of the Placement are set out in Section 1.

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

The proposed issue of Tranche 2 Securities 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.

Resolutions 3 and 4 seek the required Shareholder approval for the issue of Tranche 2 Placement Securities under and for the purposes of Listing Rule 7.1.

### 2.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the 25,000,000 Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of 25,000,000 Options.

If Resolution 4 is passed, the 10,800,000 Shares and 5,400,000 Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of 10,800,000 Shares and 5,400,000 Options and the Company will not raise \$270,000 in cash.

### 2.3 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 Resolutions 3 and 4:

- (a) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the other recipients of the Placement Securities 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,

other than:

- 10 Bolivianos Pty Ltd, an entity controlled by Niv Dagan, who is an executive director of Peak Asset Management, corporate advisor to the Placement (issued 3,000,000 Tranche 1 Placement Shares and proposed to be issued 1,500,000 Options, approval of which is being sought under Resolution 3); and



- Ms Chunyan Niu, who will become a substantial shareholder of the Company (issued 7,000,000 Tranche 1 Placement Shares and proposed to be issued a further 7,000,000 Shares and 7,000,000 Options, approval of which is being sought under Resolutions 3 and 4).
- (b) the Tranche 2 Placement Securities will be issued to sophisticated and professional investors and existing Shareholders who were identified and selected by Peak Asset Management acting as corporate advisor to the Placement. None of the subscribers for Tranche 2 Placement Securities are related parties of the Company;
- (c) Tranche 2 Placement Securities proposed to be issued as follows:
  - (i) 25,000,000 free-attaching Options (approval of which is being sought under Resolution 3); and
  - (ii) 10,800,000 Shares and 5,400,000 free-attaching Options (approval of which is being sought under Resolution 4);
- (d) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options will be issued to participants in the Placement on the terms and conditions set out in Schedule 1;
- (f) the Tranche 2 Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Tranche 2 Placement Securities will occur on the same date;
- (g) the issue price per Share will be \$0.025 together with free attaching Options on the basis of one (1) Option for every two (2) Shares subscribed for and issued. The Company will not receive any other consideration for the issue of the Placement Securities (other than in respect of funds received on exercise of the Placement Options);
- (h) the purpose of the issue of the Tranche 2 Placement Securities is to raise funds, which the Company intends to use in the manner set out in Section 1.1 above;
- (i) the Tranche 2 Placement Securities are not being issued under an agreement;
- (j) the Tranche 2 Placement Securities are not being issued under, or to fund, a reverse takeover; and
- (k) a voting exclusion statement has been included for the Resolutions.

#### 2.4 Board Recommendation

The Directors recommend that Shareholders vote in favour of the Resolutions.

#### 2.5 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolutions.

### **3. Resolutions 5 and 6 – Approval to Issue Placement Participation Securities to Directors**

#### 3.1 General

As noted in Section 1.1, two Directors of the Company wish to participate in the Placement on the same terms as non-related party participants. Further details of the Placement are set out in Section 1.

#### 3.2 Material Terms of the Subscription Agreements

On 9 June 2023, the Company entered into subscription agreements with each of Messrs Abolakian and Noone in respect of the Placement Participation Securities (**Subscription Agreements**).

Under the terms of the Subscription Agreements, subject to receipt of all necessary regulatory and shareholder approvals, the following Directors (and/ or their respective nominees) will be issued Placement Participation Securities as follows:

- 2,000,000 Shares and 1,000,000 Options to Stephen Abolakian (the subject of Resolution 5); and
- 1,200,000 Shares and 600,000 Options to Chris Noone (the subject of Resolution 6),

(together, the **Participating Directors**).

The Subscription Agreements contain provision considered standard for agreement of their nature (including representations and warranties and confidentiality provisions).

### 3.3 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 passing of Resolutions 5 to 6 will result in the issue of Placement Participation Securities which constitutes the giving of a financial benefit and the Participating Directors are a related parties of the Company by virtue of each of Messrs Abolakian and Noone being Directors of the Company.

The Directors (other than Messrs Abolakian and Noone who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Placement Participation Securities because the Placement Participation Securities will be issued to Participating Directors (and/ or their respective nominees) on the same terms as Placement Securities issued to non-related party participants in the Placement. As such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

### 3.4 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 issue of Placement Participation Securities to Participating Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12 and therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 and 6 seek Shareholder approval for the issue of Placement Participation Securities to Participating Directors under and for the purposes of Listing Rule 10.11.

### 3.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Placement Participation Securities to the Participating Directors 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 Placement Participation Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Placement Participation Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Placement Participation Securities and the Company will not raise \$80,000 in cash.

### 3.6 Technical information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13 in relation to Resolutions 5 and 6:

- (a) the Placement Participation Securities will be issued to the Participating Directors (and/ or their respective nominees) as follows:
  - (i) 2,000,000 Shares and 1,000,000 Options to Stephen Abolakian (the subject of Resolution 5); and
  - (ii) 1,200,000 Shares and 600,000 Options to Chris Noone (the subject of Resolution 6);



- (b) the issue of Placement Participation Securities to the Participating Directors falls under Listing Rule 10.11.1 by virtue of each of Messrs Abolakian and Noone being a director of the Company;
- (c) the maximum number of Placement Participation Securities to be issued to the Participating Directors (and/ or their respective nominees) is 3,200,000 Shares and 1,600,000 Placement;
- (d) the Participation Shares will be 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 Participation Options will be issued on the terms and conditions set out in Schedule 1
- (f) the Placement 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 intended that issue of the securities will occur on the same date;
- (g) the issue price per Participation Share will be \$0.025 per Share, being the same issue price as all other Shares issued by the Company under the Placement. The Company will not receive any other consideration for the issue of Participation Shares;
- (h) The Participation Options will be issued for nil consideration as they are free attaching on the basis of one (1) Option for every two (2) Placement Shares subscribed for and issued. The Company will not receive any other consideration for the issue of the Participation Options (other than in respect of funds received on exercise of the Participation Options)
- (i) the purpose of the issue of the Placement Participation Securities is to raise capital, which the Company intends to use in the manner set out in Section 1.1 above;
- (j) the issue of Placement Participation Securities to the Participating Directors is not intended to remunerate or incentivise the Participating Directors;
- (k) the Placement Participation Securities were issued under Subscription Agreements. A summary of the material terms of the Subscription Agreements is set out in Section 3.2 above;
- (l) voting exclusion statements have been included for these Resolutions.

### 3.7 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolutions.

### 3.8 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolutions.

## **4. Resolution 7 – Approval to issue Options to Peak Asset Management pursuant to Corporate Advisory Engagement**

### 4.1 General

As noted in Section 1.1, the Company engaged the services of Peak Asset Management to act as corporate advisor to the Placement announced to ASX on 9 June 2023.

### 4.2 Material terms of the Corporate Advisory Engagement

Under the terms of the Corporate Advisory Engagement, in consideration for Peak Asset Management acting as corporate advisor, the Company agreed to pay/issue to Peak Asset Management (or its nominee):

- (a) a fee 6% of the amount raised under the Placement (**Capital Raising Fee**); and
- (b) 10,000,000 Options (**Options Fee**).

In the absence of Shareholder approval for the issue of 10,000,000 Options, the Options Fee is payable in cash based on the market price of Options as of the date of completion of the Placement.

The Corporate Advisory Engagement continues until 31 December 2023.

The Company agreed to grant Peak Asset Management a first right of refusal on the next raising conducted by the Company.

The Company agreed to pay Peak Asset Management any expenses associated with the engagement, subject to Peak Asset Management obtaining the Company's written approval prior to incurring any expenses greater than \$200.



The Corporate Advisory Engagement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnities and confidentiality provisions).

#### 4.3 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

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

Resolution 7 seeks the required shareholder approval for the issue of Options under and for the purposes of Listing Rule 7.1.

#### 4.4 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will proceed to issue the 10,000,000 Options and the issue of 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.

In the event Resolution 7 is not passed, the Company will not be able to proceed with the issue of 10,000,000 Options and the Company will be obliged to pay the value of Options in cash based on the market price of Options as of the date of completion of the Placement.

#### 4.5 Technical information required by Listing Rule 7.1

Pursuant to, and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of Options:

- (a) 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;
- (b) the Options will be issued to Peak Asset Management or its nominee;
- (c) the maximum number of Options to be issued is 10,000,000;
- (d) the terms and conditions of the Options are set out in Schedule 1;
- (e) the 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 Options will occur on the same date;
- (f) the Options will be issued at a nil issue price, in consideration for corporate advisory services provided by Peak Asset Management;
- (g) the Options will be issued pursuant to the terms of the Corporate Advisory Engagement. A summary of the material terms of the Corporate Advisory Engagement is set out in Section 4.2;
- (h) the purpose of the issue of Options is to satisfy the Company's obligations under the Corporate Advisory Engagement;
- (i) the Options are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement has been included for the Resolution.

#### 4.6 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

#### 4.7 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.



## GLOSSARY

**\$** means an Australian dollar.

**7.1A Mandate** has the meaning given in Section 1.2.

**AEST** means Australian Eastern Standard Time.

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

**ASX Listing Rules** and **Listing Rules** mean the official listing rules of ASX.

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

**Company** or **Carly** means Carly Holdings Limited (ACN 066 153 982).

**Constitution** means the Company's constitution.

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

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Annual General Meeting.

**Extraordinary General Meeting** means the extraordinary general meeting the subject of this 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.

**Meeting** means the meeting of Shareholders convened by the Notice of Extraordinary General Meeting.

**Notice** or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Memorandum.

**Option** means an option which entitles the holder to subscribe for one Share.

**Participating Directors** has the meaning given in Section 3.2.

**Peak Asset Management** has the meaning given in Section 1.1.

**Placement Participation Securities** has the meaning given in Section 1.1.

**Placement Securities** has meaning given in Section 1.1.

**Proxy Form** means a proxy form attached to the Notice.

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

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

**Shareholder** means a shareholder of the Company.

**Tranche 2 Placement Securities** has the meaning given in Section 1.1.

**Tranche 1 Placement Shares** has the meaning given in Section 1.1.



## SCHEDULE 1

### Key Terms and Conditions of the Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on 31 October 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 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the 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 Options are quoted under ASX code 'CL80'.

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **11:00am (AEST) on Monday, 24 July 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/#/login>

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:

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