

De.mem Limited
ACN 614 756 642

NOTICE OF EXTRAORDINARY GENERAL MEETING



ACN 614 756 642

**NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
EXPLANATORY STATEMENT TO SHAREHOLDERS**

FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, 30 JANUARY 2019
AT GROUND FLOOR, 16 ORD STREET, WEST PERTH, WESTERN AUSTRALIA
AT 10:30AM (AWST)

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

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

You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form to:-

PO Box 902, West Perth, Western Australia, 6872, no later than 10:30am (AWST) on Monday, 28 January 2019.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the members of De.mem Limited ("**De.mem**" or "**the Company**") will be held on the date and at the location and time specified below:

DATE: Wednesday, 30 January 2019
LOCATION: Ground Floor, 16 Ord Street, West Perth WA 6005
TIME: 10:30am (AWST)

The Explanatory Statement attached to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 10:30am (AWST) on Monday, 28 January 2019.

RESOLUTION 1 ~ REMOVAL OF AUDITOR

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

"That, for the purposes of section 329 of the Corporations Act and for all other purposes, RSM Australia Partners be removed as Auditor of the Company, effective from the date of the Meeting".

RESOLUTION 2 ~ APPOINTMENT OF AUDITOR

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

"That, subject to and conditional upon the passing of Resolution 1, Grant Thornton Audit Pty Ltd, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the Meeting."

BRETT TUCKER
COMPANY SECRETARY

BY ORDER OF THE BOARD
DE.MEM LIMITED

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at 10:30AM (AWST) at Ground Floor, 16 Ord Street, West Perth, Western Australia on Wednesday, 30 January 2019.

This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

1. RESOLUTION 1 ~ REMOVAL OF AUDITOR

In accordance with section 329 of the Corporations Act, the Company received a notice of intention on 17 December 2018 to remove RSM Australia Partners as auditor of the Company.

Under section 329 of the Corporations Act, if a company calls a meeting after such notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

Since the Company has called this EGM after the notice of intention to remove the current auditor was given to the Company, Resolution 1 may be passed at the Meeting even though it is held less than 2 months after the notice of intention to remove the current auditor was given.

The Directors thank RSM Australia Partners for their professional service over the past few years.

Resolution 1 seeks Shareholder approval to remove RSM Australia Partners as auditor of the Company with effect from the close of the Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 ~ APPOINTMENT OF AUDITOR

Under section 327D of the Corporations Act, where an auditor of a company is removed from office at a general meeting in accordance with section 329 of the Corporations Act, the company may, by special resolution at that general meeting, immediately appoint an individual, firm or company as auditor of the company if a copy of the notice of nomination has been sent to the individual, firm or company in accordance with section 328B(3) of the Corporations Act.

In accordance with section 328B of the Corporations Act, the Company received a nomination on 17 December 2018 to appoint Grant Thornton Audit Pty Ltd (**Grant Thornton**) as auditor of the Company (Annexure A of this Explanatory Statement).

The Directors are of the opinion that Grant Thornton's services will better suit the Company's size, structure and operations.

Resolution 2 seeks Shareholder approval to appoint Grant Thornton as auditor of the Company with effect from the close of the Meeting, subject to the passing of Resolution 1 and the Company receiving Grant Thornton's consent to act as the Company's auditor prior to the Meeting.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

GLOSSARY

ASX means ASX Limited.

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

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.

Chairman means the chairman of the Meeting.

Company means De.mem Limited (ABN 12 614 756 642).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company from time to time.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

Meeting means this Extraordinary General Meeting.

Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Statement.

Proxy Form means the proxy form attached to and forming part of the Notice of Meeting.

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

Shareholder means a holder of a Share.

ANNEXURE A

17 December 2018

To the Company Secretary
De.mem Limited
Ground Floor, 16 Ord Street
West Perth WA 6005

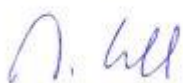
To whom it may concern,

NOTICE OF INTENTION TO REMOVE AUDITOR AND APPOINT REPLACEMENT AUDITOR

I, Andreas Kroell, as a Director of De.mem Limited (**the Company**), hereby provide a Notice of Intention in accordance with s329 of the Corporations Act 2001, to request a general meeting of the Company be convened to consider and, if thought fit, to pass the following:

1. Removal of RSM Australia Partners as auditor of the Company by way of an ordinary resolution; and
2. Appointment of Grant Thornton Audit Pty Ltd as auditor of the Company by way of a special resolution.

Yours faithfully,



Andreas Kroell

PROXY FORM

DE.MEM LIMITED
ACN 614 756 642

All correspondence to:

De.mem Limited
PO Box 902, West Perth WA 6872
Phone: 08 9482 0550

I/We

(insert name of holder – please print)

Of

(insert address of holder – please print)

Appointment of Proxy

I/We being member/s of De.mem Limited and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an
'X')

OR

Write here the name of the person
you are appointing if this person **is
someone other than** the Chairman
of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting or a nominee of the Chairman, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of De.mem Limited to be held at Ground Floor, 16 Ord Street, West Perth, Western Australia on Wednesday, 30 January 2019 at 10:30am (AWST) and at any adjournment of that meeting.

Important: The Chairman of the Meeting intends to vote all undirected proxies in favour of all Resolutions. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions.

Voting directions to your proxy - please mark

X to indicate your directions

Ordinary business

Resolution 1 Removal of Auditor

For

Against

Abstain*

Resolution 2 Appointment of Auditor

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Instructions for Completing 'Appointment of Proxy' Form

1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please Contact the Share register on **1300 554 474 (toll free)**. Security holders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company.

3. Votes on Items of Business

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Extraordinary General Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast **all** directed proxies as directed; and
- (b) any directed proxies which are **not** voted will automatically default to the Chairman, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

6. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary General Meeting in person, the proxy's authority to speak and vote for the member is suspended while the member is present at the Extraordinary General Meeting.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 10.30am (AWST) on Monday, 28 January 2019, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Documents may be lodged:

By email

btucker@ventnorcapital.com

By mail -

De.mem Limited

PO Box 902

West Perth WA 6872

or in person -

Ground Floor, 16 Ord Street

West Perth WA 6005