

4DS MEMORY LIMITED

ACN 145 590 110

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005 on Friday, 29 November 2019 at 2.30 pm (AWST).

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 6377 8043.



4DS MEMORY LIMITED

ACN 145 590 110

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of 4DS Memory Limited (**Company**) will be held at, Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005 on Friday, 29 November 2019 at 2.30 pm (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 27 November 2019 at 4.00 pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 10.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R of the Corporations Act and for all other purposes, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Howard Digby as a Director

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

"That Mr Howard Digby, who retires in accordance with Clause 6.3 of the Constitution, being eligible and offering himself for re-election, is re-elected as a Director."

3. Resolution 3 – Approval of issue of Shares to Mr James Dorrian in lieu of Director's fees

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, Shareholders approve and authorise the Directors to issue 655,737 Shares to Mr James Dorrian (and/or his nominees), in lieu of outstanding Director's fees payable to Mr Dorrian, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James Dorrian and his nominees, or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of issue of Shares to Mr David McAuliffe in lieu of salary

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, Shareholders approve and authorise the Directors to issue 245,901 Shares to Mr David McAuliffe (and/or his nominees), in lieu of salary payable to Mr McAuliffe, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David McAuliffe and his nominees, or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities), or any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Ratification of prior issue of 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 Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 65,000,000 Shares (**Placement Shares**) to the Placement Participants each at an issue price of \$0.05 on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

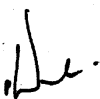
The Company will disregard any votes cast in favour of this Resolution by or on behalf the Placement Participants or any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 21 October 2019

BY ORDER OF THE BOARD



Mr Peter Webse
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Quest West Perth, Kings Park Room, 54 Kings Park Road, West Perth WA 6005 on Friday, 29 November 2019 at 2.30 pm (AWST).

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

A proxy form is enclosed with the Notice of Meeting and this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

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

Please note that:

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

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1, 3 and 4 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 1, 3 and 4.

However, the prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even if Resolutions 1, 3 and 4 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.4dsmemory.com or by contacting the Company on (08) 6377 8043.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, under sections 250U and 250Y of the Corporations Act, Shareholders have the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

At the Company's 2018 Annual General Meeting, the Remuneration Report was approved by over 75% of Shareholders present and voting.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

5. Resolution 2 – Re-election of Mr Howard Digby as a Director

Clause 6.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors (rounded down to the nearest whole number), must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who have been Directors for the same period of time, those to retire shall be determined by lot (unless they agree otherwise).

A Director who retires by rotation under clause 6.3(b) of the Constitution is eligible for re-election.

Mr Digby, being the Director longest in office since his last election, retires by rotation at this Meeting and, being eligible, seeks re-election.

Mr Digby has over 25 years management experience in technology and information services, including senior roles at IBM, Adobe, Gartner and The Economist Group in numerous countries. He holds a Bachelor of Engineering (Hons) and is a non-executive director of ASX listed companies Cirralto Ltd, Elsie Limited, HearMeOut Limited, ImExHS Limited and Transactions Ltd.

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

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

6. Resolution 3 – Approval of issue of Shares to Mr James Dorrian in lieu of Director’s fees

6.1 General

Resolution 3 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of 655,737 Shares to Mr James Dorrian (and/or his nominees).

The Company and Mr Dorrian have agreed that, subject to Shareholder approval, Mr Dorrian would take 100% of the Director’s fees owing to him for the period 1 July 2018 to 30 June 2019 (being a total of \$40,000) in Shares rather than in cash, at the last sale price of Shares on the ASX as at 30 June 2019 (being a deemed issued price of \$0.061 per Share). The Board, in November 2016, approved the use of 30 June each year as the date to be used to determine the share price at which Director’s fees owing would be converted into Shares.

The deemed issue price of \$0.061 per Share represents a 18.87% discount to the last sale price of Shares on the ASX as at 18 October 2019 (being \$0.066 per Share).

6.2 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Dorrian is a related party of the Company by virtue of being a Director. Therefore, approval is required under Listing Rule 10.11 for the issue of the Shares to him.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the 655,737 Shares to Mr Dorrian. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Accordingly, the issue of these Shares will not be included in the use of the Company’s 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 3 is an ordinary resolution.

6.3 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) The maximum number of Shares to be issued to Mr Dorrian (and/or his nominees) is 655,737 Shares.
- (b) The Company will issue the Shares to Mr Dorrian (and/or his nominees) no later than one 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 all of the Shares will be issued on the same date.
- (c) Mr Dorrian is a related party of the Company by virtue of being a Director.

- (d) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Shares will be issued for nil cash consideration in lieu of Director's fees as set out in Section 6.1, and accordingly no funds will be raised from the issue of the Shares. The Shares will be issued for a deemed issue price of \$0.061 per Share (being the last sale price of Shares on the ASX as at 30 June 2019).
- (f) A voting exclusion statement is included in the Notice.

7. Resolution 4 – Approval of issue of Shares to Mr David McAuliffe in lieu of salary

7.1 General

Resolution 4 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of 245,901 Shares to Mr David McAuliffe (and/or his nominees).

The Company and Mr McAuliffe have agreed that, subject to Shareholder approval, Mr McAuliffe would take \$15,000.00 of his after tax salary for the period from 1 July 2018 to 31 December 2018 in Shares rather than in cash, at the last sale price of Shares on the ASX as at 30 June 2019 (being a deemed issued price of \$0.061 per Share). The Board, in November 2016, approved the use of 30 June each year as the date to be used to determine the share price at which Director's salary owing would be converted into Shares.

The deemed issue price of \$0.061 per Share represents a 18.87% discount to the last sale price of Shares on the ASX as at 18 October 2019 (being \$0.066 per Share).

7.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is provided in Section 6.1.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the 245,901 Shares to Mr McAuliffe. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Accordingly, the issue of these Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 4 is an ordinary resolution.

7.3 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) The maximum number of Shares to be issued to Mr McAuliffe (and/or his nominees) is 245,901 Shares.
- (b) The Company will issue the Shares to Mr McAuliffe (and/or his nominees) no later than one 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 all of the Shares will be issued on the same date.
- (c) Mr McAuliffe is a related party of the Company by virtue of being a Director.
- (d) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.

- (e) The Shares will be issued for nil cash consideration in lieu of salary as set out in Section 7.1, and accordingly no funds will be raised from the issue of the Shares. The Shares will be issued for a deemed issue price of \$0.061 per Share (being the last sale price of Shares on the ASX as at 30 June 2019).
- (f) A voting exclusion statement is included in the Notice.

8. Resolution 5 – Approval of 10% Placement Facility

8.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company is an eligible entity. Based on the closing price of the Company's Shares on ASX on 18 October 2019, the Company's market capitalisation is \$74.98 million.

While the Company has no current intention to use the 10% Placement Facility, the Company is now seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Company intends to continue the development activities relating to its Interface Switching ReRAM, to achieve its corporate and technical milestones and where it is appropriate to expand marketing efforts, accelerate specific technology development or capitalise on further opportunities. The Company may use the 10% Placement Facility for these purposes and for general working capital.

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8.2 Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

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

The Company, as at the date of the Notice, has one class of quoted Equity Securities, being the Shares (ASX Code: 4DS).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without shareholder approval;
 - (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

8.3 Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.033 50% decrease in Issue Price	\$0.066 Issue Price	\$0.132 100% increase in Issue Price
Current Variable A 1,135,017,917 Shares	10% voting dilution	113,501,791	113,501,791	113,501,791
	Funds raised	\$3,745,559	\$7,491,118	\$14,982,236
50% increase in current Variable A 1,702,526,876 Shares	10% voting dilution	170,252,687	170,252,687	170,252,687
	Funds raised	\$5,618,338	\$11,236,677	\$22,473,354
100% increase in current Variable A 2,270,035,834 Shares	10% voting dilution	227,003,583	227,003,583	227,003,583
	Funds raised	\$7,491,118	\$14,982,236	\$29,964,472

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vii) At the date of this Notice, there are currently 1,135,017,917 Shares on issue.
- (viii) The issue price is \$0.066, being the closing price of the Shares on ASX on 18 October 2019.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) as non-cash consideration in relation to the acquisition of new assets or technology. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration, in which case the Company intends to use the funds raised towards expanding or accelerating the Company's existing business activities (including expenses associated with development activities relating to its Interface Switching ReRAM and where it is appropriate to expand marketing efforts, accelerate specific technology development or capitalise on further opportunities) and for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets, technology or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets, technology or investments.

- (f) In the 12 months preceding the date of the Meeting the Company issued a total of 117,229,999 Equity Securities which represents 10.1% of the total number of Equity

Securities on issue at 30 November 2018 (being 1,158,131,251). The Equity Securities issued in the preceding 12 months were as follows:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration⁷
29/11/2018	930,232 Shares	Note 2	Issued to Mr James Dorrian pursuant to shareholder approval at 2018 AGM.	\$0.043 issue price being a 4.44% discount to the Market Price on 28/11/2018 of \$0.045.	Issued in lieu of Director's fees. Current value: \$63,256
29/11/2018	495,365 Shares	Note 2	Issued to Mr David McAuliffe pursuant to shareholder approval at 2018 AGM.	\$0.043 issue price being a 4.44% discount to the Market Price on 28/11/2018 of \$0.045.	Issued in lieu of part of salary. Current value: \$33,685
21/01/2019	1,222,222 Shares	Note 2	Issued to Mr Howard Digby pursuant to shareholder approval on 18/01/19.	\$0.045 issue price being a 23.73% discount to the Market Price on 18/01/2019 of \$0.059.	Issued in lieu of Director's fees. Current Value: \$83,111
21/01/2019	2,777,777 Shares	Note 2	Issued to Mr James Dorrian, Dr Guido Arnout & Mr David McAuliffe pursuant to shareholder approval on 18/01/19.	\$0.045 issue price being the same price as the shares issued under the Placement completed on 20/11/18 which was a 23.73% discount to the Market Price on 18/01/2019 of \$0.059.	\$125,000. The funds raised have been used to fund the Company's ongoing development activities relating to its Interface Switching ReRAM for Storage Class Memory and to achieve key strategic and technical milestones with imec.
22/01/2019	8,900,000 Options	Note 3	Issued to employees pursuant to employee option plan.	\$0.052 issue price being a 30.67% discount to the Market Price on 21/01/2019 of \$0.075.	Issued pursuant to employee option plan. Valued at \$0.04498 each totalling \$400,322 using a Black & Scholes option pricing model. See Note 6.
27/02/2019	2,000,000 Shares	Note 2	Exercise of options by Oaktone	\$0.05 issue price being a 40.48 % discount to the	\$100,000. The funds raised have been used for general working capital.

			Nominees Pty Ltd.	Market Price on 26/02/2019 of \$0.084.	
17/04/2019	1,750,000 Shares	Note 2	Exercise of options by Oaktone Nominees Pty Ltd.	\$0.05 issue price being a 33.33% discount to the Market Price on 16/04/2019 of \$0.075.	\$87,500. The funds raised have been used for general working capital.
06/05/2019	16,880,000 Options	Note 4	Issue of options to Directors pursuant to shareholder approval on 24/04/2019.	Nil issue price. \$0.052 exercise price being a 30.67% discount to the Market Price on 03/05/2019 of \$0.075.	Issued pursuant to shareholder approval on 24/04/2019. Valued at \$0.044984 each totalling \$759,329 using a Black & Scholes option pricing model. See Note 6.
23/07/2019	65,000,000 Shares	Note 2	Issued pursuant to a share placement to sophisticated & professional investors.	\$0.05 issue price being a 12.28% discount to the Market Price on 22/07/2019 of \$0.057.	Amount Raised = \$3,250,000. Amount Spent = \$nil. The funds raised will be used to fund the Company's ongoing development activities relating to its Interface Switching ReRAM for Storage Class Memory and to achieve key strategic and technical milestones with imec.
25/07/2019	15,000,000 Shares	Note 2	Issued to existing shareholders pursuant to the Company's share purchase plan.	\$0.05 issue price being the same price as the shares issued under the Placement completed on 23/07/19 which was an 8.00% discount to the Market Price on 24/07/2019 of \$0.054.	Amount Raised = \$750,000. Amount Spent = \$nil. The funds raised will be used to fund the Company's ongoing development activities relating to its Interface Switching ReRAM for Storage Class Memory and to achieve key strategic and technical milestones with imec.
28/08/2019	2,600,000 Options	Note 5	Issued to US based employees and consultants to the Company.	Nil issue price. \$0.052 exercise price being a 4.00% premium to the Market Price on 27/08/2019 of \$0.05.	Issued pursuant to employee share option plan. Valued at \$0.0399 each totalling \$103,740 using a Black & Scholes option pricing model. See Note 6.

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: 4DS (terms are set out in the Constitution).

3. Unlisted Options exercisable at \$0.052 with an expiry date of 22/01/2024 and subject to vesting conditions. Refer to Appendix 3B lodged on 22/01/2019.
 4. Unlisted Options exercisable at \$0.052 with an expiry date of 22/01/2024 and subject to vesting conditions. Refer to Appendix 3B lodged on 06/05/2019.
 5. Unlisted Options exercisable at \$0.052 with an expiry date of 28/08/2024 and subject to vesting conditions. Refer to Appendix 3B lodged on 29/08/2019.
 6. The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option.
 7. The Shares have been valued based on the closing price of the Company's Shares on ASX on 30 September 2019, being \$0.068 per Share.
- (g) The Company's cash balance on 21 November 2018 was approximately \$4,644,128. The Company raised a total of \$4,37,500 during the previous 12 months prior to the Meeting. The Company's cash balance at the date of this Notice is approximately \$4,482,833. The remaining funds of \$4,482,833 are intended to be used to further develop the Company's Interface Switching ReRam technology and for general working capital purposes.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

9. Resolution 6 – Ratification of issue of Placement Shares

9.1 General

On 23 July 2019 the Company announced a placement of a total of 65,000,000 Shares at an issue price of \$0.05 per Share to raise \$3.250 million (before costs) (**Placement**).

The Placement Shares were issued by the Company on 23 July 2019.

Forrest Capital acted as manager to the Placement and was paid a 4% placement fee and 2% management fee on the total funds raised under the Placement for acting in this role.

The proceeds raised from the Placement have or will be used to fund the Company's ongoing development activities relating to its Interface Switching ReRAM Storage Class Memory and also to achieve key strategic and technical milestones with imec.

The Placement Shares were issued within the Company's 15% annual limit permitted by Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1, provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares. By ratifying this issue (and the other issues of Shares proposed to be approved by Shareholders at the Meeting the subject of this Notice), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 during the next 12 months, without the requirement to obtain prior Shareholder approval.

Resolution 6 is an ordinary resolution.

9.2 Specific Information Required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) The Placement Shares (comprising 65,000,000 Shares) were issued by the Company on 23 July 2019.
- (b) The Placement Shares were issued at an issue price of \$0.05 each.
- (c) The Placement Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company. The Placement Participants were clients of Forrest Capital, being the manager of the Placement.
- (e) The funds raised from the issue of the Placement Shares have or will be used for the purposes set out in Section 9.1.
- (f) A voting exclusion statement is included in the Notice.

10. Definitions

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars.

10% Placement Facility has the meaning in Section 8.1.

10% Placement Period has the meaning in Section 8.2(f).

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2019.

ASIC means Australian Securities and Investments Commission.

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

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

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Chairman means the chairman of this Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **4DS Memory** means 4DS Memory Limited ACN 145 590 110.

Constitution means the current constitution of the Company.

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

Director means a director of the Company.

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

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

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

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

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Placement has the meaning in Section 9.1.

Placement Participants means existing and new sophisticated or professional investors, none of whom is a related party of the Company.

Placement Shares has the meaning in Resolution 6.

Option means an option to acquire a Share.

Proxy Form means the proxy form enclosed with this Notice.

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

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Securities means Shares, Performance Shares and/or Options.

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

Shareholder means a shareholder of the Company.

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

VWAP means volume weighted average price.

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



4DS Memory Limited | ACN 145 590 110

AGM Registration Card

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

Holder Number:

Vote by Proxy: 4DS

Your proxy voting instruction must be received by **2.30pm (AWST) on Wednesday, 27 November 2019**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

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

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact

Return your completed 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

All enquiries to Automic

WEBCHAT
<https://automic.com.au/>

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

STEP 1: Appoint Your Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of 4DS Memory Limited, to be held at **2.30pm (AWST) on Friday, 29 November 2019 at Quest West Perth, Kings Park Room, Level 1, 54 Kings Park Road, West Perth WA 6005** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman 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.

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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the “for,” “against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3 & 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3 & 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Howard Digby as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of Shares to Mr James Dorrian in lieu of Director's fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of Shares to Mr David McAuliffe in lieu of salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

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Email Address:

Contact Daytime Telephone:

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Date (DD/MM/YY):

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

