

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 MONDAY, 2 DECEMBER 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 Saturday, 30 November 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: Monday, 2 December 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 Saturday, 30 November 2019.

RESOLUTION 1 ~ RATIFICATION OF PRIOR ISSUES OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolutions each as **separate ordinary resolutions**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the total issue of 30,948,376 Shares as follows:

- (a) 1,665,367 Shares issued on 4 June 2019;*
- (b) 13,621,427 Shares issued on 1 July 2019;*
- (c) 906,582 Shares issued on 5 August 2019;*
- (d) 2,377,067 Shares issued on 2 October 2019; and*
- (e) 12,377,933 Shares issued on 2 October 2019.*

on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issues and an associate of that persons, as follows:

- (a) Resolution 1(a) by the Vendor of Akwa Worx (and his nominees), or any of their respective associates;
- (b) Resolution 1(b) by the sophisticated and high-quality institutional investors who participated in the capital raising (and their nominees), or any of their respective associates;
- (c) Resolution 1(c) by the Vendors of Pumptech Tasmania (and their nominees), or any of their respective associates;
- (d) Resolution 1(d) by the high-quality institutional and other investors who participated in the capital raising (and their nominees), or any of their respective associates; and
- (e) Resolution 1(e) by the high-quality institutional and other investors who participated in the capital raising (and their nominees), or any of their respective associates.

However, the Company need not disregard a vote if:

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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.

RESOLUTION 2 ~ APPROVAL OF INCENTIVE OPTION PLAN

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 7.2 (Exception 9(b)) and for all other purposes, the Shareholders approve the issue of Options to Eligible Participants under the Incentive Option Plan, as an exception to Listing Rule 7.1."

Voting exclusion statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director of the Company who are eligible to participate in the Incentive Option Plan and any of their associates:

- (a) Eligible Participants; and
- (b) An associate of Eligible Participants.

However, the Company will 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.

Voting Restriction pursuant to Section 250BD of the Corporations Act:

As this Resolution is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on a resolution connected directly or indirectly with the remuneration of a member of the Key Management personnel for the Company if the person is either:

- (a) a member of the Key Management Personnel for the Company; or
- (b) a Closely Related Party of such Key Management Personnel, and the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution if:

- (a) the person is the Chair of the meeting at which the resolution is voted on; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

DEBORAH HO
COMPANY SECRETARY

BY ORDER OF THE BOARD
DE.MEM LIMITED

30 OCTOBER 2019

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 Tuesday, 10 December 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.

RESOLUTIONS 1(a) to 1(e) ~ RATIFICATION OF PRIOR ISSUES OF SECURITIES

On 4 June 2019, the Company issued 1,665,367 Shares at a deemed price of \$0.122 per Share, as deferred consideration for the acquisition of the issued capital of the Akwa Worx companies upon satisfaction of Milestones 2 and 3 of the Akwa Worx acquisition agreement. The share issued utilised the Company's placement 15% placement capacity under ASX Listing Rule 7.1.

On 1 July 2019, the Company completed a placement raising \$1,907,000 and issued 13,621,427 Shares at \$0.14 per Share. The share issued utilised the Company's placement 15% placement capacity under ASX Listing Rule 7.1.

On 5 August 2019, the Company issued 906,582 Shares at a deemed price of approximately \$0.165 per Share, as partial consideration for the acquisition of Pumptech Tasmania Pty Ltd. The share issued utilised the Company's placement 15% placement capacity under ASX Listing Rule 7.1.

On 2 October 2019, the Company completed a placement raising \$2,951,000 and issued 14,755,000 Shares at \$0.20 per Share. 2,377,067 shares issued utilised the Company's placement 15% placement capacity under ASX Listing Rule 7.1 and the remaining 12,377,933 shares issued utilised the Company's placement 10% placement capacity under ASX Listing Rule 7.1A.

Resolutions 1(a) to 1(e) seeks Shareholder approval to ratify the Share issues above pursuant to ASX Listing Rule 7.4.

ASX Listing Rules

Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that when a company in general meeting ratifies the previous issue made pursuant to the ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these previous issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A, without the requirement to obtain shareholder approval.

Information for Shareholders

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1(a) to 1(e):

- (a) Number of Shares issued:
- (i) 4 June 2019 - 1,665,367 Shares;
 - (ii) 1 July 2019 - 13,621,427 Shares;
 - (iii) 5 August 2019 - 906,582 Shares; and
 - (iv) 2 October 2019 - 2,377,067 Shares; and
 - (v) 2 October 2019 - 12,377,933 Shares.
- (b) Price at which Shares were issued:
- (i) 4 June 2019 - deemed price of \$0.122 per Share, as calculated in accordance with the Akwa Worx acquisition agreement;
 - (ii) 1 July 2019 - \$0.14 per Share;
 - (iii) 5 August 2019 - deemed price of approximately \$0.165 per Share; and
 - (iv) 2 October 2019 - \$0.20 per Share; and
 - (v) 2 October 2019 - \$0.20 per Share.
- (c) All Shares issued were fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- (d) Details of persons whom the entity issued shares:
- (i) 4 June 2019 - issued to the Vendor of Akwa Worx, who is not a related party of the Company;
 - (ii) 1 July 2019 - issued to sophisticated and high-quality institutional investors, who are not related parties of the Company;
 - (iii) 5 August 2019 - issued to the Vendors of Pumptech Tasmania, who are not related parties of the Company;
 - (iv) 2 October 2019 - issued to high-quality institutional and other investors, who are not related parties of the Company; and
 - (v) 2 October 2019 - issued to high-quality institutional and other investors, who are not related parties of the Company.

- (e) Use (or intended use) of funds raised:
- (i) 4 June 2019 – no funds raised - Shares issued in consideration for the acquisition of Akwa Worx;
 - (ii) 1 July 2019 – funds raised for critical working capital to propel the Company's growth;
 - (iii) 5 August 2019 - no funds raised - Shares issued in consideration for the acquisition of PumpTech Tasmania;
 - (iv) 2 October 2019 – funds raised in anticipation of new Build-Own-Operate contract awards and also for general working capital to pursue a number of other strategic growth initiatives; and
 - (v) 2 October 2019 – funds raised in anticipation of new Build-Own-Operate contract awards and also for general working capital to pursue a number of other strategic growth initiatives.

2. A voting exclusion statement is set out on in this Notice.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1(a) to 1(e).

RESOLUTION 2 ~ APPROVAL OF INCENTIVE OPTION PLAN

Prior to listing, the Shareholders of the Company approved the Incentive Option Plan. In accordance with ASX Listing Rule 7.2 (Exception 9), that approval will shortly expire.

The Company is now seeking approval from the Shareholders for the continued use of the Incentive Option Plan as an exception under ASX Listing Rule 7.2, Exception 9(b) which would enable securities issued under the Incentive Option Plan over the next three (3) years to be excluded from the calculation of securities issued for the purposes of ASX Listing Rules 7.1 and 7.1A.

The purpose of the Incentive Option Plan is to reward and incentivise the Company's key employees.

A summary of the key terms of the Incentive Option Plan is set out below in Annexure 1.

ASX Listing Rules

Subject to certain exceptions, Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue equity securities in any 12-month period equivalent in number to more than 15% of the company's ordinary securities on issue, without the approval of its shareholders.

As a result, any issue of securities by the Company to eligible employees under the Incentive Option Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows the Company to issue securities under the Incentive Option Plan without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the Incentive Option Plan as an exception to Listing Rule 7.1, within three (3) years prior to the issue of the securities.

Resolution 2 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 9 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

Information for Shareholders

In accordance with Exception 9 of ASX Listing Rule 7.2 the Company advises as follows:

- (a) the summary of the key terms of the Incentive Option Plan is set out below in Annexure 1;
- (b) 1,250,000 options have previously been issued under the Incentive Option Plan; and
- (c) A voting exclusion statement is set out in this Notice.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 2, subject to compliance with the Corporations Act.

GLOSSARY

Akwa Worx means Akwa Worx Pty Ltd (ABN 34 539 494 711).

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.

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity

Meeting means this Extraordinary General Meeting.

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

Options means an option to subscribe for a Share in the Company.

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

Pumpteck Tasmania means Pumpteck Tasmania Pty Ltd (ABN 49 101 091 187)

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

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a holder of a Share.

ANNEXURE 1 - SUMMARY OF KEY TERMS OF THE INCENTIVE OPTION PLAN

Terms not otherwise defined in the Notice or Explanatory Memorandum have the meaning given to them under the Incentive Option Plan (referred to below as the **Option Plan**):

Eligibility: participants in the Option Plan may be:

- (1) a Director (where executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
- (2) a full or part time employee of any Group Company;
- (3) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (4) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (1), (2) or (3) above,

who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).

Offer: The Board may, from time to time, in its absolute discretion make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.

Plan limit: The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Option offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class order at any time during the previous 3 year period under an employee incentive scheme covered by the Class order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

Issue price: Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.

Vesting Conditions: An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.

Vesting: The Board may in its absolute discretion (except in respect of a change of control occurring where vesting conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Condition applying to Options due to:

- (1) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (1) a Relevant Person ceasing to be an Eligible Participant due to:
 - death or total or permanent disability of a Relevant Person; or
 - retirement or redundancy of a Relevant Person;
 - (2) a Relevant Person suffering severe financial hardship;
 - (3) any other circumstances stated to constitute 'special circumstances' in the terms of the relevant offer made to and accepted by the Participant; or
 - (4) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including

the Participant or particular circumstances or class of circumstances applying to the Participant; or

- (5) a change of control occurring; or
- (6) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

Lapse of an Option: An Option will lapse upon the earlier to occur of:

- (1) an unauthorised dealing in the Option;
- (2) a Vesting Condition in relation to the Option is not satisfied by its due date, or become incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph 0 above or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (3) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph 0 or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (4) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
- (5) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (6) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
- (7) the expiry date of the Option.

Shares: Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph 0) from the date of issue, rank on equal terms with all other Shares on issue.

Sale Restrictions: The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issue to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

No Participation Rights: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues or capital offered to Shareholders during the currency of the Options.

Change in exercise price of number of underlying securities: Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.

Reorganisation: If, at any time, the issued capital of the company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX listing Rules at the time of the reorganisation.

Trust: The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Option Plan to effect the establishment of such a trust and the appointment of such a trustee.

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 0500

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 Monday, 2 December 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

		For	Against	Abstain*
Resolution 1a	Approval of Prior Issues of Securities - 4 June 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1b	Approval of Prior Issues of Securities - 1 July 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1c	Approval of Prior Issues of Securities - 5 August 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1d	Approval of Prior Issues of Securities - 2 October 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1e	Approval of Prior Issues of Securities - 2 October 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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 Registry 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 Saturday, 30 November 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

dho@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