

29 August 2022

Dear Shareholder

De.mem Limited – General Meeting of Shareholders, 28 September 2022

Notice is hereby given that the General Meeting of Shareholders of De.mem Limited (**Company**) will be as a virtual meeting via a webinar conferencing facility at 4:00pm (AEST) on Wednesday, 28 September 2022 (“Extraordinary General Meeting”, “EGM” or “Meeting”).

In accordance with recent amendments to the *Corporations Act 2001*, the Company is sending this notification letter instead of dispatching physical copies of the Notice of Meeting. The Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website <https://demembranes.com/investors/> or at the Company’s share registry’s website (<https://www.linkmarketservices.com.au/>) through Investor Centre.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements page at www.asx.com.au under the Company’s ASX code “DEM”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.linkmarketservices.com.au/>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Link Market Services Limited on <https://www.linkmarketservices.com.au/> or by phone on +61 1300 554 474 or 1300 554 474 (within Australia), to obtain a copy.

As noted above, the Meeting will be held as a virtual meeting via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,

Handwritten signatures of Patricia Vanni and Tony Panther in black ink.

Patricia Vanni and Tony Panther
Joint Company Secretaries
De.mem Limited



DE.MEM LIMITED
ACN 614 756 642

Notice of Extraordinary General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Wednesday, 28 September 2022

Time of Meeting:
4:00PM (AEST)

Place of Meeting:
Held virtually via Webinar conferencing facility

This Notice of Extraordinary General Meeting and Explanatory Statement 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 advisor without delay

DE.MEM LIMITED

ACN 614 756 642

Registered office: 96-100 Albert Road, South Melbourne, VIC 3205

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting (“**EGM**”) of Members of De.Mem Limited (the “**Company**”) will be held:

- virtually via a webinar conferencing facility;

at 4:00PM (AEST) on Wednesday, 28 September 2022.

Virtual Attendance

Shareholders are encouraged to submit their proxies as early as possible, and in any event, prior to the cut-off date for proxy voting as set out in this Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the EGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the EGM.

The virtual meeting can be attended using the following details:

When: Wednesday, 28 September 2022 at 4:00pm (AEST)

Topic: De.Mem Limited – 2022 Extraordinary General Meeting

Register in advance for the virtual meeting:

https://us02web.zoom.us/webinar/register/WN_kQQv5HD1Rcy-kWydodwqGg

After registering, you will receive a confirmation email containing information about joining the meeting. As noted previously, the Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online. The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally.

The Company is happy to accept and answer questions submitted prior to the meeting by email to Patricia Vanni de Oliveira at patricia.vanni@vistra.com. The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to the ASX.

Any shareholders who wish to attend the EGM online should therefore monitor the Company’s website and its ASX announcements for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: DEM) and on its website at <https://demembranes.com/investors/>

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Resolution 1: Ratification of Prior Issue of 1,000,000 Options under ASX Listing Rule 7.4

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 unlisted options to Blue Ocean Equities Pty Ltd (or its nominee) as part consideration for services rendered as Corporate Advisor, on the terms and conditions as set out in the Explanatory Statement.”

Resolution 2: Approval of Issue of 1,000,000 Options under ASX Listing Rule 7.1

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 unlisted options to Blue Ocean Equities Pty Ltd (or its nominee), as part consideration for services rendered as Corporate Advisor, on the terms and conditions as set out in the Explanatory Statement.”

Resolution 3: Ratification of Prior Issue of 500,000 Options under ASX Listing Rule 7.4

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 unlisted options to Mr Daniel Conlon, on the terms and conditions as described in the Explanatory Statement accompanying the Notice of the Meeting.”

Resolution 4: Ratification of Prior Issue of 20,197,358 of Shares under ASX Listing Rule 7.4

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 3 August 2022 of 20,197,358 fully paid ordinary shares in the Company at an issue price of \$0.14 (14 cents) per share as described in the Explanatory Statement.”

Resolution 5: Ratification of Prior Issue of 2,000,000 Options under ASX Listing Rule 7.4

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the allotment and issue of up to 2,000,000 unlisted options to Blue Ocean Equities Pty Ltd and Bell Potter Nominees Ltd, in connection with the Placement announced on 3 August 2022, on the terms and conditions as set out in the Explanatory Statement.”

Resolution 6: Approval to Issue 1,214,286 Shares under ASX Listing Rule 10.11

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the proposed allotment and issue of 1,214,286 fully paid ordinary shares in the Company at an issue price of \$0.14 (14 cents) per share to New Asia Investments Pte Ltd, on the terms and conditions as set out in the Explanatory Statement.”

BY ORDER OF THE BOARD

Handwritten signatures of Patricia Vanni and Tony Panther in black ink.

Patricia Vanni and Tony Panther

Joint Company Secretaries

Dated: 26 August 2022

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Extraordinary General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm, 48 hours before the date of the Extraordinary General Meeting. Only those persons will be entitled to vote at the Extraordinary General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.
3. **Proxies**
 - a. Votes at the Extraordinary General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the Extraordinary General Meeting, this is no later than 4:00pm (AEST) on Monday, 26 September 2022. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1 and Resolutions 3 to 5

The Company will disregard any votes cast in favour on each of these Resolutions by any person or persons who participated in the respective issues addressed by each of these Resolutions or any associates of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 2

The Company will disregard any votes cast in favour of this Resolution by Blue Ocean Equities Pty Ltd or any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of that person.

However, this does not apply to a vote cast in favour of a resolution by:

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

Resolution 6

The Company will disregard any votes cast in favour of this Resolution by New Asia Investments Pte Ltd or any person or persons who are to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

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

6. Enquiries

Shareholders are invited to contact the any of the Joint Company Secretaries on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of Extraordinary General Meeting of shareholders of De.mem Limited (the "**Notice**") which will be held at will be held virtually via a webinar conferencing facility at 4.00pm (AEST) on Wednesday, 28 September 2022. ("**Extraordinary General Meeting**" or "**Meeting**").

The Notice incorporates, and should be read together, with this Statement.

Background to Resolutions 1 to 2

In April 2022, the Company executed a Letter of Engagement ("**Letter of Engagement**") for corporate advisory services with Blue Ocean Equities Pty Limited ("**Blue Ocean**").

Pursuant to the Letter of Engagement the Company agreed to pay Blue Ocean (or its nominee) a fee of 2,000,000 unlisted options ("**Blue Ocean Options**") to be issued in equal tranches of 500,000 per quarter. The main features of the Blue Ocean Options are:

- Vest immediately upon issue;
- exercise price of \$0.2795 (27.95 cents);
- expire 3 years from their issue date;
- Each Blue Ocean Option, upon exercise, entitles the holder to apply for, and be allotted, one Ordinary Share in the capital of the Company.

Details of the terms and conditions of the Blue Ocean Options are set out in Annexure A.

On each of 3 June 2022 and 3 August 2022 the Company issued 500,000 Blue Ocean Options ("**Issued Blue Ocean Options**") to Blue Ocean's nominee in accordance with the Letter of Engagement.

At that date of this Notice there remain 1,000,000 Blue Ocean Options, to be issued in two quarterly tranches, each of 500,000 options ("**Proposed Blue Ocean Options**"), which are still to be issued in accordance with the Letter of Engagement.

Resolution 1: Ratification of Prior Issue of 1,000,000 Options under ASX Listing Rule 7.4

As described in the background information above, on 3 June 2022 and 3 August 2022 (each an "**Issue Date**"), the Company issued the Issued Blue Ocean Options. The Company seeks subsequent approval of these issues from shareholders pursuant to ASX Listing Rule 7.4.

ASX Listing Rules Requirements – Listing Rule 7.4

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2. The issues of the Issued Blue Ocean Options were within the Company's available placement capacity under ASX Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issues of the Issued Blue Ocean Options were within the Company's ASX Listing Rule 7.1 placement capacity, and were not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issues pursuant to ASX Listing Rule 7.4, to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

If this Resolution is approved, the prior issue of 1,000,000 Issued Blue Ocean Options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 1,000,000 options counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Dates.

If this Resolution is not approved, the prior issue of 1,000,000 Issued Blue Ocean Options will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 1,000,000 Issued Blue Ocean Options as counting towards use of the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Dates.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Issued Blue Ocean Options were issued to a nominee of Blue Ocean in accordance with the Letter of Engagement. There were no participants in the issue of the Issued Blue Ocean Options that were investors required to be disclosed under ASX Guidance Note 21;
- b) the number and class of securities issued was 1,000,000 unlisted options in the Company;
- c) a summary of the material terms of the securities is set out above in "Background to Resolutions 1 to 2" and terms and conditions are set out in Annexure A;
- d) 500,000 Issued Blue Ocean Options were issued on 3 June 2022 and 500,000 Issued Blue Ocean Options were issued 3 August 2022;
- e) there were no funds raised from the issue of Issued Blue Ocean Options, as these options were issued as part consideration for corporate advisory services provided to the Company;
- f) the purpose of the issue of the Issued Blue Ocean Options was that they were issued as part consideration for corporate advisory services provided to the Company. There were no funds raised from the issue of the Issued Blue Ocean Options, as these options were issued as non-cash consideration for services provided. However, if all these options were exercised, the Company would receive \$279,500 being the number of the options multiplied by their exercise price;
- g) the Issued Blue Ocean Options were issued under the Letter of Engagement, the material terms of which are that Blue Ocean shall provide corporate advisory services to the Company for a period of 12 months.

Voting Exclusions

A voting exclusion statement for Resolution 1 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2: Resolution 2: Approval of Issue of 1,000,000 Options under ASX Listing Rule 7.1

As described in the background information above, the Company has entered into an agreement to issue the Proposed Blue Ocean Options (the "**Proposed Issue**"). The Company seeks approval of these issues from shareholders pursuant to ASX Listing Rule 7.1.

ASX Listing Rules Requirements –Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The Issue does not fit within any of these exceptions. While the Issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the Proposed Issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Therefore, Resolution 2 seeks the required shareholder approval to the Proposed Issue under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Proposed Issues can proceed without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If Resolution 2 is not passed, the Proposed Issue can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder/unitholder approval under Listing Rule 7.1 for 12 months following the dates of the Proposed Issue.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- a) the Proposed Blue Ocean Options are to be issued to Blue Ocean (or its nominee);
- b) the number and class of securities issued was 1,000,000 unlisted options in the Company;
- c) a summary of the material terms of the securities is set out above in "Background to Resolutions 1 to 2" and terms and conditions are set out in Annexure A;
- d) the Proposed Blue Ocean Options shall be issued no later than 3 months after the date of the Meeting;
- e) there are no funds to be raised from the issue of the Proposed Blue Ocean Options, as these options are to be issued as part consideration for corporate advisory services provided to the Company;
- f) the purpose of the Proposed Issue is to issue the Proposed Blue Ocean Options as part consideration for corporate advisory services provided to the Company. There will be no funds raised from the issue of the Proposed Blue Ocean Options, as these options are to be issued as non-cash consideration for services provided. However, if all these options were exercised, the Company would receive \$279,500 being the number of the options multiplied by their exercise price;
- g) the Proposed Blue Ocean Options are to be issued under the Letter of Engagement, the material terms of which are that Blue Ocean shall provide corporate advisory services to the Company for a period of 12 months

Voting Exclusions

A voting exclusion statement for Resolution 2 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

Resolution 3: Ratification of Prior Issue of 500,000 Options under ASX Listing Rule 7.4

On 27 June 2022 ("**Issue Date**"), the Company issued 500,000 unlisted options ("**Sign-On Options**") to Mr Daniel Conlon, a Non-Executive Director of the Company as sign on options, which was a condition of his accepting appointment as non-executive director. Exception 12 in Listing Rule 10.12 applied to issue of the Sign-On Options.

Resolution 3 seeks Shareholders ratification pursuant to ASX Listing Rule 7.4 for the prior issue of those unlisted options.

Terms of Options

The unlisted options have an exercise price \$0.2237 (22.37 cents) per option, vested immediately and expire on 23 June 2025.

A summary of the key terms of the unlisted options proposed to be issued is set out in Annexure B of this Explanatory Memorandum.

ASX Listing Rules Requirements

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2. The issue of the Sign-On Options was within the

Company's available placement capacity under ASX Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issue of the Sign-On Options was within the Company's ASX Listing Rule 7.1 placement capacity, and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4, to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

If this Resolution is approved, the prior issue of 500,000 the Sign-On Options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 500,000 options counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this Resolution is not approved, the prior issue of 500,000 the Sign-On Options will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 500,000 the Sign-On Options as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- a) the Sign-On Options were issued to Mr Daniel Conlon;
- b) the number and class of securities issued was 500,000 unlisted options in the Company;
- c) a summary of the material terms of the securities is set out above in "Terms of Options" and terms and conditions are set out in Annexure B;
- d) the Sign-On Options were issued on 27 June 2022;
- e) there were no funds raised from the issue of the Sign-On Options, as these options were issued as consideration for Mr Conlon accepting appointment as a Non-Executive Director of the Company;
- f) the purpose of the issue was to issue unlisted options to Mr Daniel Conlon as sign on options, the issue of which was a condition of Mr Conlon accepting appointment as a Non-Executive director of the Company. There were no funds raised from the issue of the Sign-On Options, as these options were issued as non-cash sign on options. However, if all these options were exercised, the Company will receive \$139,750 being the number of the options multiplied by their exercise price;
- g) the Sign-On Options were issued under a Non-Executive Director appointment agreement between the Company and Mr Daniel Conlon, the material terms of which are standard terms of an agreement of this type.

Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the public company, that company must obtain the approval of the public company's members, unless the giving of the financial benefit falls within an exception set out in the sections 201 to 216 of the Corporations Act.

The issue of the Sign-On Options constitutes giving a financial benefit and Mr Conlon is a related party of the Company by a virtue of being a proposed director at the time the agreement to issue the financial benefit was made.

The Board has formed the view that the issue of the Sign-On Options to Mr Conlon does not require Shareholder approval under section 208 of the Corporations Act as the issue constitutes "reasonable remuneration" in accordance with section 211 of the Corporations Act, as the issue of such options is common market practice for public companies and the terms and conditions of the Sign-On Options are similar to options previously issued to other Non-Executive Directors of the Company.

Voting Exclusions

A voting exclusion statement for Resolution 3 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Background to Resolutions 4 to 6

On 28 July 2022, the Company announced that it was undertaking a capital raising to raise up to approximately \$3m (before costs) by way of a share placement via issues of 21,411,644 fully paid ordinary shares (**Shares**) at an issue price of \$0.14 (14 cents) per share (**Placement**).

The issue of 20,197,358 Shares was completed on 3 August 2022 under the Company's existing placement capacity under ASX Listing Rule 7.1. The Company is seeking ratification of this issue under Resolution 4.

The issue of the remaining 1,214,286 Shares is proposed to be made to New Asia Investments Pte Ltd, an entity that falls within Listing Rule 10.11.3, and therefore requires shareholder approval under Listing Rule 10.11. The Company is seeking ratification of this issue under Resolution 6.

The Placement was joint lead managed by Blue Ocean Equities Pty Ltd and Bell Potter Securities Ltd (each a "**Joint Lead Manager**" or "**JLM**"). Each JLM, or their nominee(s), was issued 1,000,000 unlisted options in the Company ("**JLM Options**") as part consideration for their capital raising services provided. The main features of the JLM Options are:

- vest immediately upon issue;
- exercise price of \$0.182 (18.2 cents);
- expire 2 August 2025; and
- each JLM Option, upon exercise, entitles the holder to apply for, and be allotted, one Share in the capital of the Company.

The issue of 2,000,000 JLM Options was completed on 3 August 2022 from the Company's existing placement capacity under ASX Listing Rule 7.1. The Company is seeking ratification of this issue under Resolution 5.

Resolution 4: Ratification of Prior Issue of 20,197,358 Shares under ASX Listing Rule 7.4

As described in the "Background to Resolutions 4 to 6" section above, the Company is seeking shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue on 3 August 2022 (**Issue Date**) of 20,197,358 fully paid ordinary shares (**Shares**) at an issue price of \$0.14 (14 cents) per Share.

ASX Listing Rules Requirements – Listing Rule 7.4

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2. The issue of the Shares was within the Company's available placement capacity under ASX Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issue of Shares was within the Company's ASX Listing Rule 7.1 placement capacity, and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4, to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

If this Resolution is approved, the prior issue of 20,197,358 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 387,958 Shares counting towards the 15%

threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this Resolution is not approved, the prior issue of 20,197,358 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 20,197,358 Shares as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the shares were allotted and issued to institutional and sophisticated investors introduced to the Company by the JLMs or via existing relationships with the Company. The following participant in the Issue is required to be disclosed pursuant to ASX Guidance Note 21: Perennial Value Management Limited;
- (b) the number and class of securities issued was 20,197,358 fully paid ordinary shares in the Company;
- (c) the Shares were issued on 3 August 2022;
- (d) the Shares were issued for cash at an issue price of \$0.14 (14 cents) per Share. The Company raised \$2,827,630.12 cash (before costs of the issue) from the issue of the Shares;
- (e) the purpose of the issue was to raise funds to be used for: the acquisition of the remaining 25% in De.mem-Geutec GmbH; costs of additional Build, Own, Operate project opportunities; future acquisitions and general working capital; and offer costs.

Voting Exclusions

A voting exclusion statement for Resolution 4 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 4. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

Resolutions 5: Ratification of Prior Issue of 2,000,000 Options under ASX Listing Rule 7.4

As described in the "Background to Resolutions 4 to 6" section above, the Company is seeking shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue on 3 August 2022 (**Issue Date**) of 2,000,000 unlisted options, exercisable at \$0.1820, expiring on 2 August 2025 (**JLM Options**), to the JLMs, or their nominee(s), as part consideration in relation to the Placement services.

ASX Listing Rules Requirements – Listing Rule 7.4

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2 applying. The issue of the JLM Options was within the Company's available placement capacity under ASX Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. As the issue of the JLM Options was within the Company's ASX Listing Rule 7.1 placement capacity, and was not previously approved by Shareholders, the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1

If this Resolution is approved, the prior issue of 2,000,000 JLM Options may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 2,000,000 JLM Options counting towards

the 15% threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this Resolution is not approved, the prior issue of 2,000,000 JLM Options will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 2,000,000 JLM Options as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the JLM Options were allotted and issued to the following parties:
 - Bell Potter Nominees Ltd – 1,000,000 Unlisted Options
 - Blue Ocean Equities Pty Ltd – 1,000,000 Unlisted OptionsThere were no participants in the Issue that were investors required to be disclosed under ASX Guidance Note 21
- (b) the number and class of securities issued was 2,000,000 unlisted options in the Company;
- (c) a summary of the material terms of the securities is set out above in "Background to Resolutions 4 to 6" and terms and conditions are set out in Annexure C;
- (d) the JLM Options were issued on 3 August 2022;
- (e) there were no funds raised from the issue of JLM Options, as these options were issued as part consideration for capital raising services provided to the Company;
- (f) the purpose of the issue of the JLM Options was that they were issued as part consideration for capital raising services provided to the Company. There were no funds raised from the issue of JLM Options, as these options were issued as non-cash consideration for services provided. However, if all these options were exercised, the Company would receive \$364,000 being the number of the options multiplied by their exercise price;
- (g) the JLM Options were issued under an agreement between the Company and the JLMs, the material terms of were:
 - (i) the JLMs would act as joint lead managers and bookrunners to the Placement
 - (ii) the fees payable to the JLMs (to be split between each JLM on a 50/50 basis) were:
 - a. Management fee – 3% of proceeds
 - b. Selling Fee – 3% of proceeds
 - c. 2,000,000 unlisted options (JLM Options) as part consideration for services provided.

Voting Exclusions

A voting exclusion statement for Resolution 5 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 5. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

Resolutions 6: Approval of Issue of 1,214,286 Shares under ASX Listing Rule 10.11

As described in the "Background to Resolutions 4 to 6" section above, the Company is proposing to issue 1,214,286 Shares at an issue price of \$0.14 (14 cents) per share, as part of the Placement, to New Asia Investments Pte Ltd (the "Issue").

ASX Listing Rules Requirements – Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of

- the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.11.3 and does not fall within any of the exceptions in Listing Rule 10.12. The Issue therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 6 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the Issue and will receive \$170,000 in cash from the issue of 1,214,286 Shares.

If Resolution 6 is not passed, the Company will not be able to proceed with the Issue and will not receive \$170,000 from the issue of the Shares.

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 10.11:

- a) the Shares are to be issued to New Asia Investment Pte Ltd ("**NIA**");
- b) NIA falls within Listing Rule 10.11.3 as within the previous 6 months before the Issue, NIA is a substantial (10%+) holder in the company and has nominated a director to the board of the Company pursuant to a relevant agreement which gives it a right or expectation to do so;
- c) the number and class of securities to be issued is 1,214,286 fully paid ordinary shares in the Company.
- d) the Shares will be issued by no later than one month after the date of this Meeting;
- e) the Shares will be issued at a price of \$0.14 (14 cents) per Share (totalling \$170,000); and
- f) the purpose of the issue is to raise funds to be used for the acquisition of the remaining 25% in De.mem-Geutec GmbH, costs of additional Build, Own, Operate project opportunities, future acquisitions and general working capital, and offer costs.

Voting Exclusions

A voting exclusion statement for Resolution 6 is set out on Note 5 of this Notice.

Board Recommendation

The Board recommends that shareholders vote in favour of Resolution 6. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**AEST**” means Australian Eastern Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” means De.mem Limited ACN 614 756 642;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Statement;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Share Registry**” means Link Market Services Limited (ABN 54 083 214 537)

Annexure A

Terms and Conditions of Blue Ocean Options

The terms and conditions of the Options to be granted are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the holder to exercise for, and be allotted, one Ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Ordinary Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Unlisted Options

- (i) 2,000,000 unlisted options will vest immediately upon issue (**Vesting Date**).
- (ii) The final date and time for exercise of the Unlisted Options is 5.00pm (AEDT) 2 August 2025, if such date falls on a day that is not a Business Day, the final date will be the next Business Day (**Expiry Date**).
- (iii) The exercise price for the Unlisted Options will be \$0.2795 (27.95 cents) per Option.
- (iv) Each Options is exercisable by the holder signing and delivering a notice of exercise of Options to the Company's Share Registry or Company Secretary.
- (v) All Options will lapse upon expiry of the final date and time for exercise of the Option.
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Unlisted Options.
- (ii) If the Ordinary Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Ordinary Shares issued on the exercise of any Unlisted Options within ten (10) Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of a Performance Right holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Unlisted Options do not result in any benefit being conferred on the Performance Right holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Unlisted Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;

- (B) in the event of a subdivision of the share capital of the Company, the number of Unlisted Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a pro-rata cancellation of shares in the Company, the number of Unlisted Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Performance Right will be amended in inverse proportion to that ratio; and
- (D) in the event of any other re-organisation of the issued capital of the Company, the number of Unlisted Options or the exercise price or both will be re-organised (as appropriate) in a manner which will not result in any benefits being conferred on the Unlisted Options holder which are not conferred on shareholders.

(f) Transfer of Options

The Options are non-transferrable.

(g) Voting Rights

The Options does not confer any voting rights.

(h) Dividends

The Options does not confer any entitlement to a dividend, whether fixed or at the discretion of the directors.

(i) Return of Capital

The Options does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise

(j) Participation in the surplus profit or assets of the entity upon a winding up

The Options does not confer any right to participate in the surplus profit or assets of the entity upon a winding up.

(k) Bonus or entitlement issues

The Options does not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

(l) Change of control

In the event of change of control of the Company, the Options are allowed to be converted into ordinary shares, but only if the change of control is triggered by a person who does not control the entity at the time the performance securities are issued achieving control of more than 50% of the ordinary voting securities in the Company – change of control provisions that trigger at a lower level of “control” are not acceptable.

Annexure B

Terms and Conditions of Daniel Conlon Options

The terms and conditions of the Options to be granted are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the holder to exercise for, and be allotted, one Ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Ordinary Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Unlisted Options

- (i) 500,000 unlisted options will vest immediately upon issue (**Vesting Date**).
- (ii) The final date and time for exercise of the Unlisted Options is 5.00pm (AEDT) expiring on 23 June 2025, if such date falls on a day that is not a Business Day, the final date will be the next Business Day (**Expiry Date**).
- (iii) The exercise price for the Unlisted Options will be \$0.2237 (22.37 cents) per Unlisted Option (**Exercise Price**).
- (iv) Each Option is exercisable by the holder signing and delivering a notice of exercise of Options to the Company's Share Registry or Company Secretary.
- (v) All Options will lapse upon expiry of the final date and time for exercise of the Option.
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Unlisted Options.
- (ii) If the Ordinary Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Ordinary Shares issued on the exercise of any Unlisted Options within ten (10) Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of a Performance Right holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Unlisted Options do not result in any benefit being conferred on the Performance Right holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) in the event of a consolidation of the share capital of the Company, the number of Unlisted Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (B) in the event of a subdivision of the share capital of the Company, the number of Unlisted Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a pro-rata cancellation of shares in the Company, the number of Unlisted Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Performance Right will be amended in inverse proportion to that ratio; and
- (D) in the event of any other re-organisation of the issued capital of the Company, the number of Unlisted Options or the exercise price or both will be re-organised (as appropriate) in a manner which will not result in any benefits being conferred on the Unlisted Options holder which are not conferred on shareholders.

(f) Transfer of Options

The Options are non-transferrable.

(g) Voting Rights

The Options does not confer any voting rights.

(h) Dividends

The Options does not confer any entitlement to a dividend, whether fixed or at the discretion of the directors.

(i) Return of Capital

The Options does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise

(j) Participation in the surplus profit or assets of the entity upon a winding up

The Options does not confer any right to participate in the surplus profit or assets of the entity upon a winding up.

(k) Bonus or entitlement issues

The Options does not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

(l) Change of control

In the event of change of control of the Company, the Options are allowed to be converted into ordinary shares, but only if the change of control is triggered by a person who does not control the entity at the time the performance securities are issued achieving control of more than 50% of the ordinary voting securities in the Company – change of control provisions that trigger at a lower level of “control” are not acceptable.

Annexure C

Terms and Conditions of JLM Options

The terms and conditions of the Options to be granted are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the holder to exercise for, and be allotted, one Ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Ordinary Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Unlisted Options

- (i) 2,000,000 unlisted options will vest immediately upon issue (**Vesting Date**).
- (ii) The final date and time for exercise of the Unlisted Options is 5.00pm (AEDT) expiring on 2 August 2025, if such date falls on a day that is not a Business Day, the final date will be the next Business Day (**Expiry Date**).
- (iii) The exercise price for the Unlisted Options will be \$0.1820 (18.20 cents) per Unlisted Option (**Exercise Price**).
- (iv) Each Option is exercisable by the holder signing and delivering a notice of exercise of Options to the Company's Share Registry or Company Secretary.
- (v) All Options will lapse upon expiry of the final date and time for exercise of the Option.
- (vi) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Unlisted Options.
- (ii) If the Ordinary Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Ordinary Shares issued on the exercise of any Unlisted Options within ten (10) Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of a Performance Right holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Unlisted Options do not result in any benefit being conferred on the Performance Right holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) in the event of a consolidation of the share capital of the Company, the number of Unlisted Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (B) in the event of a subdivision of the share capital of the Company, the number of Unlisted Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a pro-rata cancellation of shares in the Company, the number of Unlisted Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Performance Right will be amended in inverse proportion to that ratio; and
- (D) in the event of any other re-organisation of the issued capital of the Company, the number of Unlisted Options or the exercise price or both will be re-organised (as appropriate) in a manner which will not result in any benefits being conferred on the Unlisted Options holder which are not conferred on shareholders.

(f) Transfer of Options

The Options are non-transferrable.

(g) Voting Rights

The Options does not confer any voting rights.

(h) Dividends

The Options does not confer any entitlement to a dividend, whether fixed or at the discretion of the directors.

(i) Return of Capital

The Options does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise

(j) Participation in the surplus profit or assets of the entity upon a winding up

The Options does not confer any right to participate in the surplus profit or assets of the entity upon a winding up.

(k) Bonus or entitlement issues

The Options does not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

(l) Change of control

In the event of change of control of the Company, the Options are allowed to be converted into ordinary shares, but only if the change of control is triggered by a person who does not control the entity at the time the performance securities are issued achieving control of more than 50% of the ordinary voting securities in the Company – change of control provisions that trigger at a lower level of “control” are not acceptable.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

DE.MEM Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of DE.MEM Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **4:00pm (AEST) on Wednesday, 28 September 2022** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be held virtually via Webinar conferencing facility.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

For Against Abstain*

For Against Abstain*

- 1 Ratification of Prior Issue of 1,000,000 Options under ASX Listing Rule 7.4
- 2 Approval of Issue of 1,000,000 Options under ASX Listing Rule 7.4
- 3 Ratification of Prior Issue of 500,000 Options under ASX Listing Rule 7.4
- 4 Ratification of Prior Issue of 20,197,358 of Shares under ASX Listing Rule 7.4

- 5 Ratification of Prior Issue of 2,000,000 Options under ASX Listing Rule 7.4
- 6 Approval to Issue 1,214,286 Shares under ASX Listing Rule 10.11



* 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

DEM PRX2202N

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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 make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO 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 those 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 Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 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 and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

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, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney 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 2001*) 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.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Extraordinary General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm (AEST) on Monday, 26 September 2022**, 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.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

DE.MEM Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

or

Level 12
680 George Street
Sydney NSW 2000

*During business hours Monday to Friday (9:00am - 5:00pm)