

1 April 2022

Dear Shareholder

EXTRAORDINARY GENERAL MEETING – NOTICE AND PROXY FORM

Notice is given that a General Meeting (Meeting) of Shareholders of Douugh Limited ("Company") will be held as a physical meeting at 642 Newcastle Street, Leederville, WA 6007 ("Location") at 4pm (EST) / 2pm (WST) on Friday, 6 May 2022 ("Meeting").

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholder has made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically and can be viewed and downloaded at the following link: <https://www.douugh.com/investors/>

The Company will hold the Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, Shareholders are encouraged to vote by proxy instead of attending the Meeting.

For those shareholders that have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company's share registry, Automic, using any of the following methods:

Online: www.investor.automic.com.au/#/loginsah

By mail: Automic, GPO Box 5193, Sydney NSW 2001, Australia

In person: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

By email: meetings@automicgroup.com.au

Your proxy voting instruction must be received by 10am (Perth time) on Wednesday, 4 May 2022, being not later than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the scheduled Meeting. The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting. The Meeting Materials should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you have difficulties obtaining a copy of the Meeting Materials please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)

About Douugh

[Douugh](#) is developing a banking super app, on a mission to help customers autonomously budget, save and invest their money to live financially healthier lives. Douugh was launched in November 2021 by Andy Taylor, Co-founder of SocietyOne.

For more information contact:

Investor

info@douugh.com

ASX Release approved by the CEO on behalf of the Board.

DOUGH LIMITED
ACN 108 042 593
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00pm EST / 2:00pm WST

DATE: 6 May 2022

PLACE: 642 Newcastle Street, Leederville WA 6007

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm EST on 4 May 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE 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 Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the proposed issue of 37,702,002 securities, being the maximum number of securities to be issued under that Plan in reliance on Listing Rule 7.2 (Exception 13(b)), on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT (LR 7.1)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 37,125,172 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT (LR 7.1A)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 39,263,717 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LEAD MANAGER (LR 7.1)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Lead Manager Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – SECURITY SHARES (LR 7.1)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 35,000,000 Security Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 1 April 2022

BY ORDER OF THE BOARD

**DEREK HALL
COMPANY SECRETARY
DOUGH LIMITED**

Voting Prohibition Statements

Resolution 1 – Adoption of Employee Securities Incentive Plan	<p>A person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 20px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 20px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
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Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 1 – Adoption of Employee Securities Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Shares – Placement (LR 7.1)	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons.
Resolution 3 – Ratification of prior issue of Shares – Placement (LR 7.1A)	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons.
Resolution 4 – Ratification of prior issue of Options – Lead Manager (LR 7.1)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Canaccord Genuity (Australia) Limited) or an associate of that person or those persons.
Resolution 5 – Ratification of Prior Issue of Shares – Security Shares (LR 7.1)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Long State Investments Limited) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (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.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

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

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Automic Group Share Registry will need to verify your identity. You can register from 1:30pm EST / 3:30pm WST on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6380 2555 or at secretary@dough.com.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – EMPLOYEE SECURITIES INCENTIVE PLAN

1.1 General

Resolution 1 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Employee Securities Incentive Plan” (**Plan**) and for the issue of securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

1.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity’s notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 1 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 1.3(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX’s opinion, such that approval should be obtained.

If Resolution 1 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company’s capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

1.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 1:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 1;
- (b) the Company has issued 7,514,906 securities under the Plan since the last approval on 29 January 2021; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 37,702,002 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

2. BACKGROUND TO RESOLUTIONS 2 - 4

2.1 Background

As set out in the Company's announcement of 6 December 2021, the Company:

- (a) received firm commitments for up to 76,388,889 Shares (**Placement Shares**) to professional and sophisticated investors (**Placement Participants**) at an issue price of \$0.072 per Share (**Placement**); and
- (b) through a share purchase plan, offered its Shareholders an opportunity to subscribe up to 34,722,222 Shares at an issue price of \$0.072 per Share to raise up to \$2,500,000, with the capacity to accept oversubscriptions to raise up to a further \$2,000,000 through the issue of up to a further 27,777,778 Shares (**SPP**).

The Company has engaged Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL: 234 666) (**Canaccord**) to act as the lead manager to the Placement and SPP, pursuant to which the Company has agreed to issue 10,000,000 Options to Canaccord.

The purpose of the Meeting is to seek Shareholder approval for:

- (a) the ratification of the Shares issued on 13 December 2021 under the Placement, pursuant to Resolutions 2 and 3; and
- (b) the ratification of the Options issued to the Lead Manager on 13 December 2021, pursuant to Resolution 4.

3. RESOLUTIONS 2 AND 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT – LISTING RULE 7.1 AND LISTING RULE 7.1A

3.1 General

On 13 December 2021, the Company issued 76,388,889 Shares at an issue price of \$0.072 per Share to raise approximately \$5,500,000 (**Placement Shares**).

37,125,172 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 2) and 39,263,717 Placement Shares were issued pursuant to the Company's 7.1A mandate (being

the subject of Resolution 3), which was approved by Shareholders at the annual general meeting held on 30 November 2021.

3.2 Listing Rules 7.1 and 7.1A

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

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2021.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

3.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 2 and 3 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 2 and 3 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 2 and 3 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

3.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of Canaccord. The recipients were identified through a bookbuild process, which involved Canaccord seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 76,388,889 Placement Shares were issued and the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 13 December 2021;
- (e) the issue price was \$0.072 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise \$5,500,000, which will be and has been applied towards research and development to accelerate the Company's product development roadmap to launch new services in the United States and to launch the Company's services in Australia, as well as marketing activities to increase the level of customer acquisition; and
- (g) the Placement Shares were not issued under an agreement.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – LEAD MANAGER - LISTING RULE 7.1

4.1 General

On 13 December 2021, the Company issued to Canaccord 10,000,000 Options in partial consideration for the lead manager services provided by Canaccord (**Lead Manager Options**).

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2021.

The issue of the Lead Manager Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Lead Manager Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Options.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Options.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Lead Manager Options will be excluded in calculating the Company's 15% limit in Listing Rules 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lead Manager Options.

If Resolution 4 is not passed, the Lead Manager Options will be included in calculating the Company's 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Lead Manager Options.

4.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Lead Manager Options were issued to Canaccord;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 10,000,000 Lead Manager Options were issued and the Lead Manager Options were issued on the terms and conditions set out in Schedule 2;

- (d) the Lead Manager Options were issued on 13 December 2021;
- (e) the Lead Manager Options were issued at a nil issue price, in part consideration for lead manager services provided by Canaccord in respect of the SPP and the Placement. The Company has not and will not receive any other consideration for the issue of the Lead Manager Options (other than in respect of funds received on exercise of the Lead Manager Options);
- (f) the purpose of the issue of the Lead Manager Options was to satisfy the Company's obligations under the Lead Manager Mandate; and
- (g) the Lead Manager Options were issued to Canaccord under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Schedule 3.

5. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE – SECURITY SHARES (LR 7.1)

5.1 Background

On 28 March 2022, the Company announced that it had entered into a binding equity placement facility term sheet (**Facility Agreement**) with Long State Investments Limited (**Long State**) to secure a 3-year, \$20 million equity placement facility (**Facility**).

The Facility has been obtained to provide the Company with a fully flexible funding facility as and when required.

The Board anticipates that the funds from the Facility will be used for:

- (a) its United States business and international expansion; and
- (b) general corporate and working capital purposes.

Under the Facility, the Company can determine whether or not it will issue a notice requesting Long State to subscribe for Shares under the Facility (**Subscription Notice**), and the amount requested under any Subscription Notice, subject to having sufficient placement capacity under ASX Listing Rule 7.1 The Facility will be utilised only as and when required by the Company.

The key features of the Facility are summarised in Schedule 4.

The fees and charges the Company must pay Long State are the issue of:

- (c) 35,000,000 fully paid ordinary shares as security shares (**Security Shares**) pursuant to the terms of the Facility Agreement; and
- (d) \$15,000 by way of implementation fee, which can be satisfied by cash or by the issue of Shares determined by dividing the Implementation Fee by the average of the daily VWAP of the Shares in the 5 trading-days immediately prior to the date of payment (**Implementation Shares**); and
- (e) 10,000,000 unlisted options exercisable at \$0.108 per share expiring on the 13 December 2024 (**Facility Options**).

5.2 General

On 28 March 2022, the Company issued Long State with 35,000,000 Security Shares pursuant to the Facility Agreement.

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.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2021.

The issue of the Security Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Security Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Security Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Security Shares.

5.3 Technical information required by Listing Rule 14.1A

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

If Resolution 5 is not passed, the Security Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Security Shares.

5.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Security Shares were issued to Long State;

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 35,000,000 Security Shares were issued and the Security Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Security Shares were issued on 28 March 2022;
- (e) the Security Shares were issued at nil issue price, as they were issued in consideration for Long State agreeing to enter into the Facility Agreement. The Company has not and will not receive any other consideration for the issue of the Security Shares;
- (f) the purpose of the issue of the Security was to satisfy the Company's obligations under the Facility Agreement; and
- (g) the Security Shares were issued to Long State under the Facility Agreement. A summary of the material terms of the Facility is set out in Schedule 4.

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 19 August 2013.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.dough.com/investors/ and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders

upon request to the Company Secretary (+61 8 6380 2555). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Securityholding (clause 3)

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their securityholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Joint Holders (clause 9.8)

CHES is currently being replaced by ASX. As part of the CHES replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Dividends (clause 23)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

GLOSSARY

\$ means Australian dollars.

General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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.

Canaccord or **Lead Manager** means Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL: 234 666).

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Dough Limited (ACN 108 042 593).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Explanatory Statement means the explanatory statement accompanying the Notice.

Facility means the three-year, \$20,000,000 equity placement facility obtained by the Company from Long State to provide the Company with funding as and when required, pursuant to the Facility Agreement.

Facility Agreement means the binding equity placement facility term sheet between the Company and Long State dated on or about 28 March 2022, whereby the Company secures the Facility from Long State.

Facility Options means an Option issued pursuant to the Facility Agreement.

Facility Shares means the Shares issue to Long State, pursuant to the Facility Agreement.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager Mandate means the lead manager mandate as entered into by the Company and Canaccord to act as lead manager in relation to the SPP and Placement.

Listing Rules means the Listing Rules of ASX.

Long State or **Investor** means Long State Investments Limited and the investor under the Facility Agreement.

Market Value means the volume weighted average market price (as that term is defined in the Listing Rules) per Share during the previous five trading days.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the Company's capital raising as announced on 6 December 2021, whereby the Company raise \$5,500,000 by issuing Shares at an issue price of \$0.072.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

SPP means the Company's capital raising as announced on 6 December 2021 through a share purchase plan, whereby the Company offered its Shareholders an opportunity to subscribe up to 34,722,222 Shares at an issue price of \$0.072 per Share to raise up to \$2,500,000, with the capacity to accept oversubscriptions to raise up to a further \$2,000,000 through the issue of up to a further 27,777,778 Shares.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

The material terms and conditions of the Employee Securities Incentive Plan (**Plan**) are as follows:

Eligibility	<p>Participants in the Plan may be:</p> <p>(a) any non-employee director or any full or part-time employee of the Company and its related bodies corporate (the Group); or</p> <p>(b) any other person providing services to the Group,</p> <p>who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (Awards) under the Plan (Eligible Participant).</p>
Offer	<p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Awards provided under the Plan.</p> <p>The terms and conditions of Awards offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p>
Convertible Security	<p>Each Option and/or Performance Right (Convertible Security) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
Vesting of a Convertible Security	<p>Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value</p>

	<p>of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p>Shares</p>	<p>The Board may from time to time make an invitation to an Eligible Participant to acquire Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share which may be nil. The Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.</p> <p>When the Company makes an invitation to an Eligible Participant to acquire Shares, the Company may also offer the Eligible Participant a loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Shares, for the purposes of acquiring all or part of the Shares the subject of the invitation. The loan amount may accrue interest as determined by the Board.</p> <p>A Participant may repay all or part of a loan at any time before the expiration of the loan term, and at the expiration of the loan term the Participant must immediately repay all of the loan.</p>
<p>Forfeiture</p>	<p>In respect of each offer of Awards, the Board may determine, criteria, requirements or conditions which if met (notwithstanding the satisfaction or waiver of any performance hurdles and vesting conditions) will result in the lapsing of Convertible Securities or a Participant surrendering Shares (Forfeiture Conditions).</p> <p>Where such Forfeiture Conditions are met, unless the Board in its sole discretion determines otherwise, all unvested and vested Convertible Securities will automatically lapse and all unvested and vested Shares will automatically be surrendered.</p> <p>In addition, where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breaches his or her duties to the Group, the Board may in its discretion deem all Awards to be forfeited.</p>
<p>Rights attaching to Shares</p>	<p>Any Shares allotted, issued or transferred by the Company to a Participant under the Plan (including on exercise or conversion of Convertible Securities) will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.</p>
<p>Disposal Restrictions</p>	<p>If the invitation provides that any Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant must not transfer, encumber or otherwise dispose of, or have a security interest granted over that Share or take any action if to do so would contravene applicable laws.</p>
<p>Buy-Back</p>	<p>Subject to applicable law, the Company may at any time buy-back Awards in accordance with the terms of the Plan.</p>

Change of Control	If a change of control event occurs in relation to the Company, and unless the Board determines otherwise in its sole and absolute discretion, Awards granted will vest where vesting conditions and performance hurdles have been satisfied on a pro rata basis based on the period which has elapsed from the grant date to the date of the change of control event.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).
Participation Rights	During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities.
Reorganisation	<p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> (a) a reduction, subdivision or consolidation of the issued capital of the Company; (b) a reorganisation of the issued capital of the Company; (c) a distribution of assets in specie; (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or (e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves, <p>the number of Awards to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p>
Amendment of Plan	<p>Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.</p>

SCHEDULE 2 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.108 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – MATERIAL TERMS OF THE LEAD MANAGER MANDATE

Lead Manager Mandate

The Company engaged Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL: 234 666) by way of a mandate letter (**Lead Manager Mandate**) as lead manager to raise up to \$5,000,000 (**Placement**) and an additional \$2,000,000 in a non-underwritten share purchase plan (**SPP**). The material terms of the Lead Manager Mandate are set out below:

(a) **Fees**

In consideration for its services as Lead Manager, the Company has agreed to pay Canaccord:

- (i) **Management Fee:** a management fee of 2% of the gross amount raised under the Offers (plus GST);
- (ii) **Capital Raising Fee:** a capital raising fee of 4% of the gross amount raised under the Placement (plus GST); and
- (iii) **Option Fee:** 10,000,000 Options exercisable at \$0.108 on or before the date that is three years from their date of issue (being, the Lead Manager Options).

(together, the **Fee**).

(b) **Expenses**

The Company agrees to reimburse Canaccord for all reasonable out-of-pocket expenses incurred in connection with performing its services under this Lead Manager Mandate. Canaccord is required to seek approval from the Company prior to incurring expenses in excess of \$2,000.

(c) **Term**

The term of Canaccord's engagement is for initial term of 12 months and may be extended upon the mutual agreement of both the Company and the Lead Manager.

The Lead Manager Mandate also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

SCHEDULE 4 – KEY FEATURES OF THE FACILITY AND MATERIAL TERMS OF THE FACILITY AGREEMENT

The key features of the Facility and material terms and conditions of the Facility Agreement are summarised as follows:

- (a) the investor (**Investor**) has agreed that upon the Company's request under a valid Subscription Notice, to subscribe for fully paid ordinary shares in the capital of the Company (**Shares**) up to a maximum value of \$20 million (**Subscription**);
- (b) the Facility is available to the Company for a term of 36 months from the date of execution of a formal agreement;
- (c) the amount and timing of each Subscription shall be at the discretion of the Company and there is no minimum or mandatory Subscription amount;
- (d) at any time or from time to time the Company can nominate to sell number of Shares to the Investor not to exceed the lower of:
 - (i) the number of Security Shares held by the Investor on the Subscription Notice Date; and
 - (ii) 10 times the average number of shares traded on the ASX in the 15 trading days prior to date of the Subscription Notice;
- (e) the purchase price of the Shares shall be equal to 95% of the higher of:
 - (i) the average of 2 daily volume weighted average price of Shares traded on ASX in the 20 consecutive trading day period on the first trading day after the date on which the Investor receives a valid Subscription Notice from the Company (**Market Price**); or
 - (ii) the price nominated by the Company (**Nominated Price**);
- (f) to ensure that the Company can fulfill its obligations under the Facility, prior to the delivery of the first Subscription Notice, the Company shall issue to the Investor 35,000,000 Shares (**Security Shares**);
- (g) the Company shall at its option pay the Investor \$50,000 in cash or in Shares within 3 business days after signing the Facility Agreement (**Implementation Fee**). If the Implementation Fee by the average of the daily VWAP of the Shares in the 5- trading- days immediately prior to the date of payment;
- (h) the Company shall, within 3 business days after its next annual general meeting, subject to shareholder approval, grant the Investor 10,000,000 unlisted options exercisable at \$0.108 per share expiring on 13 December 2024 (**Options**). If the Company, for whatever reasons, is unable to grant the Investors Options as set out above, the Company shall pay the Investor the cash value of the Options, within 10 business days after the date of the Company's next annual general meeting;
- (i) the Facility shall expire on the date that is 36 months from the date of execution of a formal agreement; and
- (j) the Investor shall receive cash commission equal to 5% of the gross proceeds of each Subscription.

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

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Wednesday, 4 May 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

