

31 March 2022

**Annual General Meeting of Security Matters Limited  
to be held on 6 May 2022 at 5:00pm (AEST) (10:00am Israel time)**

The Manager  
Market Announcements Office  
ASX Limited

In accordance with Listing Rule 3.17, I attach a copy of the following documents:

1. A Letter to Shareholders regarding arrangements for the 2022 Annual General Meeting;
2. Notice of Meeting 2022; and
3. Proxy Form.

Yours faithfully



Mark Licciardo  
Company Secretary  
Security Matters Limited

31 March 2022

**Annual General Meeting of Security Matters Limited  
to be held on 6 May 2022 at 5:00pm (AEST) (10:00am Israel time)**

Dear Shareholder

The Security Matters Limited Annual General Meeting (“AGM”) will be held at the offices of K&L Gates, 25/525 Collins St, Melbourne VIC 3000 and virtually via the online platform <https://web.lumiagm.com/378-775-025> on 6 May 2022 at 5:00pm (AEST). Physical attendance at the Meeting will be subject to public health guidance and may be subject to capacity limits.

The AGM will be held as a hybrid meeting, whereby shareholders can attend in person or virtually via the online platform at <https://web.lumiagm.com/378-775-025>. Registration opens from 4:30pm on the day of the meeting. Accordingly, shareholders will be able to participate, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress.

In order to provide shareholders with the opportunity to fully participate in the Meeting, the Company announces that shareholders can attend in person and virtually via the online platform at <https://web.lumiagm.com/378-775-025> to do this you will need a desktop or mobile/tablet device with internet access, and you will need to provide your details (including Shareholder Reference Number (SRN) or Holder Identification Number (HIN) to be verified as a security holder or proxy holder.

The online platform will allow you to listen to the proceedings, view the presentations and ask questions of the Board and vote in real-time.

Whilst live voting will now be available, shareholders are still strongly recommended to submit their votes by proxy to ensure that their votes are counted. Instructions on how to submit votes by proxy are contained within the “Casting vote by proxy” section on page 5 of the Notice.

To view the **Notice of Annual General Meeting**, please use the following link:

<https://www.reportsonline.net.au/?documentid=63C261E78E9E4AD4A63344AB1E6ECDB6>

To view the **2021 Annual Report**, please use the following link:

<https://www.reportsonline.net.au/?documentid=9FD2510C2875479BB11BF46B0777E96F>

**VOTING IS NOW OPEN.** To vote online in relation to the following account, please follow the instructions below:

**STEP 1:** Visit <https://www.votingonline.com.au/smxagm2022>

**STEP 2:** Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

**STEP 3:** Enter your Voting Access Code (VAC) – as contained in attached proxy

**STEP 4:** Follow the prompts to vote on each resolution

**Important Note:** For your voting instructions to be valid and counted towards this meeting please ensure your online lodgement is received no later than **5:00pm (AEST) on Wednesday 4 May 2022**. Voting instructions received after this time will not be valid for the scheduled meeting.

You can also update your communications preferences to ensure you receive all communications from the Company electronically in the future by updating your shareholder details online via <https://www.investorserve.com.au/>. To log in you will need your SRN/HIN and postcode (or country for overseas residents).

Should you have any queries regarding your holding or the upcoming Security Matters Limited Annual General Meeting, please contact Boardroom Pty Limited on 1300 737 760 (within Australia), +61 2 9290 9600 (outside Australia) or email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au).



Mark Licciardo  
Company Secretary  
Security Matters Limited



(ACN 626 192 998)

## Notice of Annual General Meeting

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Notice is given that the Annual General Meeting of Shareholders of Security Matters Limited (**SMX** or the **Company**) will be held as follows:

Date: **Friday 6 May 2022**

Time: **5:00pm (AEST)**

Venue: **25/525 Collins Street, Melbourne VIC 3000 and Virtually via <https://web.lumiagm.com/378-775-025>**

Notice is given that the Annual General Meeting of the Shareholders of Security Matters Limited (the "Company") will be held at 25/525 Collins Street Melbourne & virtually via <https://web.lumiagm.com/378-775-025> on 6 May 2022 commencing at 5.00pm (Melbourne time) (the "Meeting").

The AGM will be held as a hybrid meeting, whereby shareholders can attend in person and virtually via the online platform at <https://web.lumiagm.com/378-775-025>

Accordingly, shareholders will be able to participate, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress. Any changes to the way shareholders are able to attend or participate in the AGM (including with respect to any regulatory changes or public health directives) will be announced by the Company on ASX before the AGM.

The Board encourages shareholders to monitor the ASX and the Company's website for any updates in relation to the General Meeting that may need to be provided. In the meantime, the Board encourages shareholders to submit their proxies as early as possible, even if they intend to attend the Virtual Meeting, as the situation may change (e.g. there may be restrictions on how the meeting itself may be held or conducted).

### **Online Voting Procedures during the AGM:**

Shareholders who wish to participate in the AGM online may do so by entering the following URL into an internet browser on your computer, laptop, smartphone, tablet or other smart device:

<https://web.lumiagm.com/378-775-025>

You can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (VAC) which can be located on the first page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the online voting user guide for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760.

Attending the meeting online enables shareholders to view the AGM live, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress.

In order to provide for an efficient virtual meeting, we request that any questions from Shareholders are provided to the Company Secretary at least 24 hours in advance of the Meeting. We also strongly recommend that all Shareholders lodge their votes via the Company's share register platform or by appointing a proxy prior to 5.00pm on Wednesday 4 May 2022.

## **Business**

### ***Financial Statements and Reports***

To receive and consider the Company's Annual Financial Report, including the Directors' Report and the Auditor's Report for the year ended 31 December 2021.

While no resolution is required in relation to this item, Shareholders will be given reasonable opportunity to ask questions and make comments on the Company's Annual Financial Report.

A representative of Company's Auditor, BDO Audit Pty Ltd, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

The Security Matters 2022 Annual Report can be viewed online at the Company's website [www.smx.tech](http://www.smx.tech).

### 1. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding ordinary resolution**:

*"That the Company adopt the remuneration report for the year ended 31 December 2021 in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."*

#### Notes:

The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's Key Management Personnel (**KMP**) whose remuneration details are disclosed in the remuneration report for the year ended 31 December 2021 or their closely related parties, in any capacity; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person who is entitled to vote on Resolution 1:

- in accordance with the directions on the proxy form; or
- by the person chairing the Meeting, in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP.

The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

### 2. Re-election of Amir Bader as a Director

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

*"That, having retired by rotation in accordance with article 20.3 of the Company's Constitution, being eligible and offering himself for re-election, Amir Bader be re-elected as a Director of the Company."*

### 3. Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4

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

*"That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 1,000,000 Unlisted Options, details of which are set out in the Explanatory Memorandum attached."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3, by a person(s) who participated in the issue or an associate of that person(s) or is a counterparty to the agreement being approved, unless the vote is cast:

- a) by a person as 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; or
- b) by 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 on the proxy; 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:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 3.

#### 4. Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4

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

*“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 100,000 Unlisted Options, details of which are set out in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4, by a person(s) who participated in the issue or an associate of that person(s) or is a counterparty to the agreement being approved, unless the vote is cast:

- a) by a person as 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; or
- b) by 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 on the proxy; 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:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 4.

#### 5. Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4

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

*“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 8,000,001 Unlisted Options, details of which are set out in the Explanatory Memorandum attached.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5, by a person(s) who participated in the issue or an associate of that person(s) or is a counterparty to the agreement being approved, unless the vote is cast:

- a) by a person as 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; or
- b) by 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 on the proxy; 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:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

#### 6. Approval of issue of Shares to Kathryn Davies or her nominee in accordance with Listing Rule 10.11

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

*“That approval be given, pursuant to ASX Listing Rule 10.11, for the issue of 87,905 Fully Paid Ordinary Shares to Kathryn Davies or her nominee, details of which are set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by:

- a. Kathryn Davies (Director); and

- b. 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 Company).

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of Resolution 6.

**7. Approval of issue of Shares to Jovanka Naumoska or her nominee in accordance with Listing Rule 10.11**

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

*“That approval be given, pursuant to ASX Listing Rule 10.11, for the issue of 56,956 Fully Paid Ordinary Shares to Jovanka Naumoska or her nominee, details of which are set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 7 by:

- a. Jovanka Naumoska (Director); and
- b. 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 Company).

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of Resolution 7.

**8. Approval of issue of Shares to Amir Bader or his nominee in accordance with Listing Rule 10.11**

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

*“That approval be given, pursuant to ASX Listing Rule 10.11, for the issue of 234,412 Fully Paid Ordinary Shares to Amir Bader or his nominee, details of which are set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 8 by:

- a. Amir Bader (Director); and
- b. 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 Company).

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to vote all available undirected proxies in favour of Resolution 8.

**9. Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued share capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 9 by a person who may participate in the proposed issue of equity securities under the 10% Placement Capacity, and 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), if this resolution is passed; and any associate of such a person, unless the vote is cast:

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

The Chairman intends to vote all available undirected proxies in favour of Resolution 9.

**Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.**

## 10. Amendments to the Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution:

*“That the Company’s constitution be amended as set out in the Explanatory Memorandum accompanying this Notice of Meeting, with the amendments to take effect from the end of the Meeting.”*

### Other information

An Explanatory Memorandum accompanies and forms part of this notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

### Voting by proxy

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company and can be either an individual or a body corporate. A Shareholder can appoint a proxy by completing and returning a signed proxy form.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder’s votes.

If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- (a) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (the **Corporations Act**); and
- (b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

If your proxy does not attend the Meeting, the Chairman will become your proxy by default. The Chairman intends to vote in favour of all resolutions on the agenda.

If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default, and you do not provide any voting directions on your proxy form, by completing and returning

the proxy form you will be expressly authorising the Chairman of the Meeting to cast your vote as he sees fit. If you intend to appoint a member of the KMP (other than the Chairman) or any of their closely related parties as your proxy on Resolution 1, please ensure that you direct them how to vote on Resolution 1.

Proxies must be:

- (a) lodged at the Company's share registry, Boardroom Pty Limited (by hand or by post); or
- (b) faxed to the fax number specified below,

**no later than 5:00pm (AEST) on Wednesday, 4 May 2022.**

Address (hand deliveries): Boardroom Pty Limited  
Level 12, 225 George Street, Sydney NSW 2000

Address (postal deliveries): Boardroom Pty Limited  
GPO Box 3993, Sydney NSW 2001

Fax number for lodgement: +61 2 9290 9655

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

### **Online Voting**

Please visit <https://www.votingonline.com.au/smxagm2022> to submit your voting intentions prior to 5:00pm Wednesday 4 May 2022.

### **Entitlement to vote**

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the meeting shares will be taken to be held by the persons who held them as registered Shareholders at 7.00 pm (AEST) on Wednesday 4 May 2022. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### **Voting Intentions**

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

In respect of all available undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

### **Questions and Comments by Shareholders at the Meeting**

In order to allow for an efficient virtual meeting, we ask that any questions are provided to the Company Secretary by no later than 24 hours prior to the Meeting (details below).

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions or make comments on the management of the Company at the Annual General Meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's external Auditor, BDO Audit Pty Ltd, relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to BDO Audit Pty Ltd if the question is relevant to the content of BDO Audit Pty Ltd's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2021.

Relevant written questions to BDO Audit Pty Ltd must be submitted no later than 5:00pm (AEST) on Wednesday 4 May 2022. A list of those questions will be made available to Shareholders attending the meeting. BDO Audit Pty Ltd will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

**Please submit any questions in advance of the Meeting by:**

The Company Secretary, lodged at the Company's share registry, Boardroom Pty Limited (by hand or by post), or faxed to the fax number specified below:

Company Secretary: Mark Licciardo  
markl@mertons.com.au

Address (hand deliveries): Boardroom Pty Limited  
Level 12, 225 George Street, Sydney NSW 2000

Address (postal deliveries): Boardroom Pty Limited  
GPO Box 3993, Sydney NSW 2001

Fax number for lodgement: +61 2 9290 9655

**Please send written questions for BDO Audit Pty Ltd to:**

By facsimile - +61 3 9602 4709;

Post to – C/ Mertons Corporate Services Pty Ltd – Level 7, 330 Collins Street, Melbourne VIC 3000

By order of the Board



**Mark Licciardo**  
**Company Secretary**

31 March 2022



(ACN 626 192 998)

## Explanatory Memorandum

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This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Security Matters Limited (**SMX** or the **Company**) at the 2022 Annual General Meeting to be held virtually commencing at 5:00pm (AEST) on Friday, 6 May 2022.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the resolutions.

### Financial Statements and Reports

Under section 317 of the Corporations Act, SMX is required to lay its Annual Financial Report, Directors' Report and Auditor's Report before its Shareholders at its Annual General Meeting. The Annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman in respect of any aspect of the report they wish to discuss. There is no requirement, either in the Corporations Act or the Company's Constitution, for Shareholders to approve the reports.

Representatives of SMX's auditor, BDO Audit Pty Ltd, will be present for discussion purposes on matters of relevance to the audit.

Shareholders can access a copy of the annual report on the Company's website at <https://www.securitymattersltd.com/>.

### Resolution 1 – Adoption of Remuneration Report

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 1.

Resolution 1 provides Shareholders the opportunity to vote on SMX's Remuneration Report. The Remuneration Report is contained in the Directors' Report. Under section 250R(2) of the Corporations Act, SMX must put the adoption of its Remuneration Report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or SMX.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this meeting when reviewing SMX's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of SMX's Directors other than the Managing Director must be offered up for election.

Key Management Personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report, unless as holders of directed proxies for Shareholders eligible to vote on Resolution 1.

SMX encourages all Shareholders to cast their votes on this resolution. The Chairman intends to vote all available undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

### Resolution 2 – Re-election of Amir Bader as a Director

**Board recommendation and undirected proxies.** The Board (other than Amir Bader) recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 2.

Amir Bader is due to retire from the Board in accordance with the Constitution, and, being eligible, offers himself for re-election.

Amir Bader has been a Security Matters board member since 2015 and he brings to the Company extensive experience in the management of agricultural businesses.

Amir Bader is currently the manager of one of Israel's largest dairy farms and has more than 20 years of experience at managerial positions in dairy farms and other agricultural projects in Israel and Europe.

Amir Bader also served as Kibbutz Dgania A's (a seed shareholder in Security Matters Israel) business manager for five years, during that period he served as the board member of several subsidiaries and companies related to the Kibbutz.

### **Resolution 3 - Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4**

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in FAVOUR of Resolution 3. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 3.

On 9 July 2021, the Company announced that **1,000,000** Unlisted Options (Unlisted Options) exercisable at \$0.60, were to be issued as compensation for advisory services

Information regarding the issue of unlisted options was lodged with the ASX on 9 July 2021.

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The issues of the shares described below did not breach any Listing Rules and Shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Shareholders ratify the issue of ordinary shares as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

### **Information required by Listing Rule 7.5**

In accordance with ASX Listing Rule 7.5, Shareholders are provided the following information:

<b>The number of securities issued</b>	<ul style="list-style-type: none"> <li>1,000,000 Unlisted Options</li> </ul>
<b>The price at which the securities were issued</b>	<ul style="list-style-type: none"> <li>Options - \$Nil</li> </ul>
<b>The terms of the securities</b>	<p><b>Options -</b></p> <ul style="list-style-type: none"> <li>Issued on the basis of 1 Option for 1 Share issued under the capital raising</li> <li>\$0.60 being the exercise price of each of the Options</li> <li>Unlisted Options with a three-year expiry</li> </ul>
<b>The names of the persons to whom the entity issued the securities or the basis on which those persons were determined</b>	Castray Capital Pty Ltd
<b>The use (or intended use) of the funds raised</b>	The proceeds raised will be used to accelerate the speed of adoption and commercialization of its technology across SMX's strategic market segments.
<b>A voting exclusion statement</b>	A voting exclusion statement is included under Resolution 3 in this Notice of Meeting

#### Resolution 4 - Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in FAVOUR of Resolution 4. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 4.

On 18 January 2022, the Company announced that 100,000 Unlisted Options (Unlisted Options) exercisable at \$0.50, were to be issued as part compensation for consulting services provided.

Information regarding the issue of unlisted options was lodged with the ASX on 18 January 2022.

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The issues of the shares described below did not breach any Listing Rules and Shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Shareholders ratify the issue of ordinary shares as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

#### Information required by Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, Shareholders are provided the following information:

<b>The number of securities issued</b>	<ul style="list-style-type: none"> <li>100,000 Unlisted Options</li> </ul>
<b>The price at which the securities were issued</b>	<ul style="list-style-type: none"> <li>Options - \$Nil</li> </ul>
<b>The terms of the securities</b>	<p><b>Options -</b></p> <ul style="list-style-type: none"> <li>Issued on the basis of 1 Option for 1 Share</li> <li>\$0.50 being the exercise price of each of the Options</li> <li>Unlisted Options expiring on 31 December 2023</li> </ul>
<b>The names of the persons to whom the entity issued the securities or the basis on which those persons were determined</b>	Abbey West Pty Ltd
<b>The use (or intended use) of the funds raised</b>	The proceeds raised will be used to accelerate the speed of adoption and commercialization of its technology across SMX's strategic market segments.
<b>A voting exclusion statement</b>	A voting exclusion statement is included under Resolution 4 in this Notice of Meeting

#### Resolution 5 - Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in FAVOUR of Resolution 5. The Chairman of the meeting intends to vote all available undirected proxies in FAVOUR of Resolution 5.

SMX and Global BevCo Pty Ltd (**Global BevCo**) as trustee for the Global BevCo Unit Trust (**Global BevCo Unit Trust**) entered into a Joint Venture Agreement dated 10 February 2020 in respect of their 50/50 joint venture company, SMX Beverages Pty Ltd (**SMXB**) (**Joint Venture**). Global BevCo Unit Trust held 50% of the shares in SMXB and SMX held the other 50%.

On 24 December 2021, the Company announced that it had offered and Global BevCo Pty Ltd had accepted the offer to acquire the remaining 50% in the Global BevCo Unit Trust (**Transaction**). The Transaction terms were as follows:

- the sale of Global BevCo Unit Trust's interest in SMXB by transferring the units in the Global BevCo Unit Trust to SMX so that SMXB becomes a fully owned subsidiary of SMX;

- the issue of 8,000,001, 5 years, \$0.40 unlisted options in SMX to the outgoing unitholders of Global BevCo Unit Trust;
- the offer of a consulting agreement to Global BevCo including a A\$13,500 per month retainer and a 5% revenue share for referred clients; and
- Retainer and referral fees are payable 6 monthly in arrears.

This resolution relates to the the issue of 8,000,001, 5 years, \$0.40 unlisted options in SMX to the outgoing unitholders of Global BevCo Unit Trust.

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The issues of the shares described below did not breach any Listing Rules and Shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Shareholders ratify the issue of ordinary shares as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

#### Information required by Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, Shareholders are provided the following information:

<b>The number of securities issued</b>	<ul style="list-style-type: none"> <li>• 8,000,001 Unlisted Options</li> </ul>
<b>The price at which the securities were issued</b>	<ul style="list-style-type: none"> <li>• Options - \$Nil</li> </ul>
<b>The terms of the securities</b>	<p><b>Options -</b></p> <ul style="list-style-type: none"> <li>• Issued on the basis of 1 Option for 1 Share</li> <li>• \$0.40 being the exercise price of each of the Options</li> <li>• Unlisted Options with a five-year expiry</li> </ul>
<b>The names of the persons to whom the entity issued the securities or the basis on which those persons were determined</b>	Unit holders of Global Bevco, being entities controlled by Peter Yates, Nick Yates and Leon Kempler
<b>The use (or intended use) of the funds raised</b>	The proceeds raised will be used to accelerate the speed of adoption and commercialization of its technology across SMX's strategic market segments.
<b>A voting exclusion statement</b>	A voting exclusion statement is included under Resolution 5 in this Notice of Meeting

#### Resolution 6 - Approval of issue of Shares to Kathryn Davies or her nominee in accordance with Listing Rule 10.11

**Board recommendation and undirected proxies.** The Board (other than Kathryn Davies) recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 6.

The proposed grant is in respect of Shares to be granted to Kathryn Davies (the Related Party), within one month of the date of the Annual General Meeting. The fully paid ordinary shares will be issued pari passu to existing securities and not subject to a trading lock. Remunerating in this manner reduces the cash cost of the Company and aligns the Company's rewards with those of Shareholders.

As Kathryn Davies is considered a Related Party of the Company, the Company is seeking shareholder approval for all purposes, including ASX Listing Rules 10.11, for the grant of the relevant fully paid ordinary shares to the Related Party.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the fully paid ordinary shares granted to the Related Parties will not use up part of the 15% available under ASX Listing Rule 7.1.

The Board, Kathryn Davies aside, recommends that Members approve the grant of a total of 87,905 fully paid ordinary shares in the capital of the Company to Kathryn Davies.

The proposed grant is in respect of fully paid ordinary shares at a valuation of \$0.2346 (being the Average Price for the 30 trading days prior to 25 March 2022) per share that are to be issued as the Directors' remuneration, subject to Shareholder approval and priced in line with the agreement with Ms. Davies. The proposed grant is a share-based payment as part remuneration as a Non-executive Director. Full details of the remuneration paid to Ms. Davies in accordance with Listing Rule 10.13 is as follows:

	Short Term Salary	Bonuses	Nonmonetary benefits	Post-Employment Retirement Benefits	Share based payments: Equity Settled	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Kathryn Davies</b>	20,625	-	-	4,022	21,493	46,140

#### **Resolution 7 - Approval of issue of Shares to Jovanka Naumoska or her nominee in accordance with Listing Rule 10.11**

**Board recommendation and undirected proxies.** The Board (other than Jovanka Naumoska) recommends that Shareholders vote in **FAVOUR** of Resolution 7. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 7.

The proposed grant is in respect of Shares to be granted to Jovanka Naumoska (the Related Party), within one month of the date of the Annual General Meeting. The fully paid ordinary shares will be issued pari passu to existing securities and not subject to a trading lock. Remunerating in this manner reduces the cash cost of the Company and aligns the Company's rewards with those of Shareholders.

As Jovanka Naumoska is considered a Related Party of the Company, the Company is seeking shareholder approval for all purposes, including ASX Listing Rules 10.11, for the grant of the relevant fully paid ordinary shares to the Related Party.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the fully paid ordinary shares granted to the Related Parties will not use up part of the 15% available under ASX Listing Rule 7.1.

The Board, Jovanka Naumoska aside, recommends that Members approve the grant of a total of 56,956 fully paid ordinary shares in the capital of the Company to Jovanka Naumoska.

The proposed grant is in respect of fully paid ordinary shares at a valuation of \$0.2346 (being the Average Price for the 30 trading days prior to 25 March 2022) per share that are to be issued as the Directors' remuneration, subject to Shareholder approval and priced in line with the agreement with Ms. Naumoska. The proposed grant is a share-based payment as part remuneration as a Non-executive Director. Full details of the remuneration paid to Ms. Naumoska in accordance with Listing Rule 10.13 is as follows:

	Short Term Salary	Bonuses	Nonmonetary benefits	Post-Employment Retirement Benefits	Share based payments: Equity Settled	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Jovanka Naumoska</b>	21,656	-	-	2,093	11,742	35,491

#### **Resolution 8 - Approval of issue of Shares to Amir Bader or his nominee in accordance with Listing Rule 10.11**

**Board recommendation and undirected proxies.** The Board (other than Amir Bader) recommends that Shareholders vote in **FAVOUR** of Resolution 8. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 8.

The proposed grant is in respect of Shares to be granted to Amir Bader (the Related Party), within one month of the date of the Annual General Meeting. The fully paid ordinary shares will be issued pari passu to existing securities and not subject to a trading lock. Remunerating in this manner reduces the cash cost of the Company and aligns the Company's rewards with those of Shareholders.

As Amir Bader is considered a Related Party of the Company, the Company is seeking shareholder approval for all purposes, including ASX Listing Rules 10.11, for the grant of the relevant fully paid ordinary shares to the Related Party.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the fully paid ordinary shares granted to the Related Parties will not use up part of the 15% available under ASX Listing Rule 7.1.

The Board, Amir Bader aside, recommends that Members approve the grant of a total of 234,412 fully paid ordinary shares in the capital of the Company to Amir Bader

The proposed grant is in respect of fully paid ordinary shares at a valuation of \$0.2346 (being the Average Price for the 30 trading days prior to 25 March 2022) per share that are to be issued as the Directors' remuneration, subject to Shareholder approval and priced in line with the agreement with Mr Bader. The proposed grant is a share-based payment as part remuneration as a Non-executive Director. Full details of the remuneration paid to Mr. Bader in accordance with Listing Rule 10.13 is as follows:

	Short Term Salary	Bonuses	Nonmonetary benefits	Post-Employment Retirement Benefits	Share based payments: Equity Settled	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Amir Bader</b>	-	-	-	-	19,982	19,982

#### **Resolution 9 - Approval of Additional 10% Placement Capacity**

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 9. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 9.

ASX Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General

Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: SMX).

The number of equity securities that the Company may issue under the approval sought by Resolution 4 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

**A** = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2, other than exceptions 9, 16 or 17;
- (ii) plus the number of Shares issued in the 12 months on the conversion of convertible securities under rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the 12 months or the issue or agreement to issue was approved or taken to be approved under rules 7.1 or 7.4;
- (iii) plus the number of fully paid Shares issued in the 12 months under rule 7.2 exception 16 where the agreement was entered into before the 12 months and the agreement or issue was approved or taken to be approved under rules 7.1 or 7.4;
- (iv) plus the number of partly paid Shares that became fully paid in the 12 months;
- (v) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (vi) less the number of fully paid Shares cancelled in the 12 months.

**D** = 10%.

**E** = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

*Technical information required by Listing Rule 7.1A*

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 9 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 9:

**Minimum Price:** Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

**Risk of voting dilution:** Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this Notice of Meeting. The table also assumes that no Options on issue are exercised into Shares before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.<sup>1</sup>

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.10 50% decrease in Issue Price	\$ 0.20 Issue Price	\$ 0.40 100% increase in Issue Price
<b>Current Variable A</b> 165,532,264	<b>10% Voting dilution</b>	16,553,226	16,553,226	16,553,226
	<b>Funds raised</b>	\$1,655,323	\$3,30,645	\$6,621,291
<b>50% increase in current Variable A</b> 248,298,396	<b>10% Voting dilution</b>	24,829,840	24,829,840	24,829,840
	<b>Funds raised</b>	\$2,482,984	\$4,965,968	\$9,931,936
<b>100% increase in current Variable A</b> 331,064,528	<b>10% Voting dilution</b>	33,106,453	33,106,453	33,106,453
	<b>Funds raised</b>	\$3,310,645	\$6,621,291	\$13,242,581

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;

- (iii) The current issue price is \$0.20, being the closing price of the shares on ASX on 22 March 2022.
- (iv) The current number of shares on issue is the shares on issue as at 22 March 2022 being 165,532,264.

The table shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

**Date of Issue:** If Shareholder approval is granted for Resolution 9, then that approval will expire on the earlier of:

- (i) 6 May 2023, being 12 months from the date of this Meeting;
- (ii) the time and date of the Company’s next annual general meeting; or
- (iii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

**Purpose of Issue under 10% Placement Capacity:** The Company may issue equity securities under the 10% Placement Capacity to raise cash, in which case the Company intends to use funds raised for investment purposes in line with the Company’s investment policy outlined in the Company’s prospectus or to fund expenditure on existing assets or for general working capital.

**Allocation under the 10% Placement Capacity:** The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**Previous Approval under ASX Listing Rule 7.1A:** The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the 2021 AGM on 7 May 2021.

Information required under ASX Listing Rule 7.3A.6(a): The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities issued in the prior 12 month period	2,593,411 Ordinary Shares issued under ASX Listing Rule 7.1A
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	0.18%

## Resolution 10 – Amendments to Constitution

**Board recommendation and undirected proxies.** The Board recommends that Shareholders vote in **FAVOUR** of Resolution 10. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 10.

The Company's Constitution was adopted at the time of its registration in 2018. Under section 136(2) of the Corporations Act, a company can modify its Constitution by special resolution. Accordingly, the Company seeks shareholder approval to amend its Constitution to ensure compliance with the regulatory landscape.

The proposed amendments to the Constitution are available in full, in the Appendix to this Notice of Meeting.

### Proposed amendments summary:

#### CHES Replacement:

CHES is ASX's system that clears and settles trades in Australia's equity markets and maintains the CHES sub-register of security holdings.

In December 2017, the ASX announced that the current CHES clearing system would be replaced by the "CHES Replacement", a distributed ledger technology (DLT) based system. This change is set to be implemented in April 2023.

CHES Replacement will upgrade critical market infrastructure to allow for increased efficiency and deliver new functionality.

The proposed amendments to clause 4.1 of the Constitution will entitle the Company to record the names of four joint holders of a security in respect of a CHES holding instead of three. This amendment will provide consistency between the Constitution and the new CHES system.

#### Virtual meetings of members:

The Corporations Amendment (Meetings and Documents) Bill 2021 (Bill) received Assent on 22 February 2022. The Bill made permanent changes to existing requirements under the Corporations Act 2001 (Cth) (the Corporations Act) that enables companies and registered schemes to use technology to hold meetings, execute company documents, and sign and distribute meetings-related documents.

Proposed amendments to clauses 15.3 and 15.6 of the Company's Constitution provide that, subject to the Corporations Act, the Company may hold a wholly virtual general meeting. These amendments will clarify that a general meeting may be held by the Company in one of three ways:

1. At a physical venue ('physical meeting');
2. At one or more physical venues using technology ('hybrid meeting', a physical meeting in conjunction with online facilities to allow remote participation); or
3. Using virtual meeting technology only ('virtual meeting', where all members participate via online facilities)

This resolution is a special resolution and requires support from 75% of the votes cast.

Access to a full copy of the proposed new constitution showing the proposed changes are available on the Company's website at [www.smx.tech](http://www.smx.tech). The Company will send a copy of the constitution showing the proposed changes (at the Company's expense) to any Shareholder upon request.

**Glossary**

In this Explanatory Memorandum, and the Notice of Meeting:

**Board** means the Board of Directors of the Company.

**Company** means Security Matters Limited.

**Constitution** means the Constitution of the Company.

**Director** means a Director of the Company.

**Explanatory Memorandum** means this Explanatory Memorandum which forms part of the Notice of Meeting.

**ASX Listing Rules** means the listing rules of the ASX Limited.

**Meeting** means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Friday 6 May 2022.

**Option** means an option, but not the obligation to acquire a Share.

**Shareholder** means a holder of a Share.

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

## Appendix – Proposed amendments to the Constitution

### **CHESS Replacement:**

#### **4.1 Joint holding**

Where two or more persons are registered as the holders of a Share, they are taken to hold the Shares as joint tenants with benefits of survivorship subject to the following provisions:

- (a) the Company is not bound to register more than ~~three~~ **four** persons as the holders of the Share (except in the case of trustees, executors or administrators of a deceased Member);
- (b) the joint holders are jointly and severally liable for all payments (including calls and instalments) which ought to be made in respect of the Shares;
- (c) only the person whose name appears first in the register as one of the joint holders of the Shares is entitled, if the Company is required by the Relevant Law or this constitution to issue certificates for Shares, to delivery of a certificate for the Shares;
- (d) any one joint holder may vote at any meeting of the company either personally or by properly authorised representative, proxy or attorney, in respect of the Share as if that joint holder was solely entitled to the Share. If more than one joint holder is present personally or by properly authorised representative, proxy or attorney, only the vote of the joint holder whose name appears first in the Share register shall count.

### **Virtual Meetings:**

#### **15.3 Use of technology at general meetings**

The Company may hold a meeting of Members at two or more venues using any technology that gives the Members as a whole a reasonably opportunity to participate **or by using virtual meeting technology only that allows all members to participate via online facilities.**

#### **15.6 Contents of notice of general meeting**

Every notice convening a general meeting must include or be accompanied by all information required by the Corporations Act and the Listing Rules and must at least:

- (a) set out the place, the day and time for the meeting (and, if the meeting is to be held in 2 or more places, **or using virtual technology only**, the technology that will be used to facilitate this);
- (b) state the general nature of the business to be transacted at the meeting and any Special Resolution to be proposed;
- (c) include a statement that:
  - (i) a Member entitled to attend and vote is entitled to appoint a proxy;
  - (ii) a proxy need not be a Member; and
  - (iii) a Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (d) be accompanied by an instrument of proxy in the form described in this Constitution or in any other form as the Directors may from time to time prescribe or accept; and
- (e) if required by the Listing Rules, include a voting exclusion statement.

**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 5:00pm (AEST) on Wednesday 4 May 2022**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/smxagm2022>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

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

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by 5:00pm (AEST) on Wednesday 4 May 2022. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/smxagm2022>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Security Matters Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **25/525 Collins Street, Melbourne and virtually via <https://web.lumiagm.com/378-775-025>** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolutions 1 are connected with the remuneration of a member of the Key Management Personnel for the Company.

The Chair of the Meeting intends to vote all undirected proxies in favour of all Items of business (including Resolutions 1), where authorised to do so. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on a resolution, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Amir Bader as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Unlisted Options pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Shares to Kathryn Davies or her nominee in accordance with Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Shares to Jovanka Naumoska or her nominee in accordance with Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of issue of Shares to Amir Bader or his nominee in accordance with Listing Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Special	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Special	Amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary