

22 April 2022

Dear Shareholder

De.mem Limited – Annual General Meeting of Shareholders, 24 May 2022

Notice is hereby given that the Annual General Meeting of Shareholders of De.mem Limited (**Company**) will be as a virtual meeting via a webinar conferencing facility at 4:00pm (AEST) on Tuesday, 24 May 2022 (“Annual General Meeting”, “AGM” or “Meeting”).

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

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

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

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

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

Yours sincerely,

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





DE.MEM LIMITED
ACN 614 756 642

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Tuesday, 24 May 2022

Time of Meeting:
4:00PM (AEST)

Place of Meeting:
Leydin Freyer Office
Level 4, 96-100 Albert Road
South Melbourne, VIC 3205

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay*

DE.MEM LIMITED

ACN 614 756 642

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

NOTICE OF GENERAL MEETING

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

- at Leydin Freyer Office at Level 4, 96-100 Albert Road, South Melbourne, VIC 3205
- virtually via a webinar conferencing facility;

at 4:00PM (AEST) on Tuesday, 24 May 2022.

Virtual Attendance

While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company will conduct a poll on the resolutions set out in this Notice of Meeting using the proxies filed prior to the Meeting.

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

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

The virtual meeting can be attended using the following details:

When: 24 May 2022 at 4:00pm (AEST)

Topic: De.Mem Limited – 2022 Annual General Meeting

Register in advance for the virtual meeting:

https://us02web.zoom.us/webinar/register/WN_3x0027O_STWQtk4CgS_-xQ

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

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

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

AGENDA

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

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 31 December 2021.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 31 December 2021 be adopted."

Resolution 2: Re-election of Cosimo Trimiglozzi as a director of the Company

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

"That, for the purpose of section 14.2 of the Constitution and for all other purposes, Mr Cosimo Trimiglozzi, who retires by rotation as a Director in accordance with the Constitution of the Company, and being eligible offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3: Re-election of Stuart Carmichael as a director of the Company

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

"That, for the purpose of section 14.2 of the Constitution and for all other purposes, Mr Stuart Carmichael, who retires by rotation as a Director in accordance with the Constitution of the Company, and being eligible offers himself for re-election, be re-elected as a Director of the Company."

Resolution 4: Approval to grant 2,000,000 Performance Rights to Mr Andreas Kroell

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

"That for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval be given to grant 2,000,000 Performance Rights to Mr Andreas Kroell, a Director of the Company, under the Company's Incentive Option Plan and on the terms described in the Explanatory Statement."

Resolution 5: Ratification of Prior Issue of 387,958 of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 23 February 2022 of 387,958 fully paid ordinary shares in the Company at a deemed issue price of \$0.3222 (32.22 cents) per share as described in the Explanatory Statement."

Resolution 6: Ratification of Prior Issue of 1,356,161 of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 1 April 2022 of 1,356,161 fully paid ordinary shares in the Company at a deemed issue price of \$0.2065 (20.65 cents) per share as described in the Explanatory Statement."

Resolution 7: Renewal of Employee Incentive Plan

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

"That, pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13(b), and for all other purposes including section 259B and 260C of the Corporations Act 2001 (Cth), approval is given for the Company to adopt an employee equity incentive scheme, being the proposed "Incentive Option Plan" and to issue under the Plan up to 11,144,734 equity securities, as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

SPECIAL BUSINESS

Resolution 8: Approval to amend the Company's Constitution

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

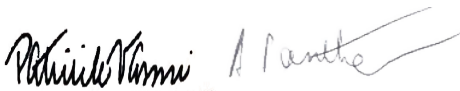
"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of De.mem Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting."

Resolution 9: Approval of 10% Placement Facility

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

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

BY ORDER OF THE BOARD



Patricia Vanni and Tony Panther
Joint Company Secretaries

Dated: 22 April 2022

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm, 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 4:00pm (AEST) on Sunday, 22 May 2022. Any proxy received after that time will not be valid for the scheduled meeting.
4. **Corporate Representative**

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

5. Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the remuneration report, or a closely related party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution as a proxy for a person who is not a KMP voter and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on these resolutions – see Restriction on KMPs voting undirected proxies below.

Resolutions 2 and 3

There are no voting exclusions on these Resolutions

Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is referred to under ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 and who is eligible to participate in the Incentive Option Plan.

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 directions given to the proxy or attorney to vote on the resolution in that way; or

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

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on this resolution – see Restriction on KMPs voting undirected proxies below.

Resolution 5

The Company will disregard any votes cast in favour on Resolution 5 by or on behalf of any person who participated in the issue of shares which are the subject of the resolution and any associates of those persons.

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

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

Resolution 6

The Company will disregard any votes cast in favour on Resolution 6 by or on behalf of any person who participated in the issue of shares which are the subject of the resolution and any associates of those persons.

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

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

Resolution 7

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

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

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on these resolutions – see **Restriction on KMPs voting undirected proxies** below

Resolution 8

There are no voting exclusions applicable to this Resolution.

Resolution 9

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

However, if, between the date of dispatch of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A.2, the Company will disregard votes cast in favour of Resolution 9 by or on behalf of:

- (a) 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 or ordinary securities in the Company); or
- (b) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Restriction on KMPs voting undirected proxies:

A vote must not be cast as proxy on any of Resolutions 1, 4 or 7 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a “**Restricted Voter**”) may cast a vote on any of Resolutions 1, 4 or 7 as a proxy if:

- (a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- (b) The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

7. Enquiries

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

EXPLANATORY STATEMENT

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 31 December 2021 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: <https://demembranes.com/investors/> via the Company's announcement platform on ASX. Except as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2021 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of 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 the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Exclusions

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

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Board encourage all eligible shareholders to cast their votes in favour of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Mr Cosimo Trimigliozi as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting, one-third or the next number nearest one-third of the Directors, and any other director who has held office for 3 years or more, shall retire from office. The constitution also provides that such Directors are eligible for re-election at the meeting. Mr Trimigliozi retires by rotation and, being eligible, offers himself for re-election.

Mr Trimigliozi looks back at a successful, almost 30-year long career in the feed and food ingredients / flavors & fragrances industry, an important target market for De.mem Pte Ltd. In his last assignment, he was the COO of Wild Flavors International, Germany, responsible in particular for the Asian and South American business expansion. Mr Trimigliozi was a member of the key management team involved in the sale of Wild Flavors on behalf of owner Mr. Wild and private equity investor KKR to ADM Group for approx. 2.5 billion USD. Prior to that, Mr. Trimigliozi had been in other senior management roles, amongst other as Managing Director – Asia for Givaudan, a multinational corporation from Switzerland.

Voting Exclusions

There are no voting exclusions on this resolution.

Board Recommendation

The Board (with Mr Trimigliozi abstaining) recommends that shareholders vote in favour of the re-election of Mr Trimigliozi. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Trimigliozi's re-election.

Resolution 3: Re-election of Mr Stuart Carmichael as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting, one-third or the next number nearest one-third of the Directors, and any other director who has held office for 3 years or more, shall retire from office. The constitution also provides that such Directors are eligible for re-election at the meeting. Mr Stuart Carmichael retires by rotation and being eligible, offers himself for re-election.

Mr Carmichael is a Chartered Accountant with over 20 years' experience in the provision of corporate advisory services both within Australia and internationally. Mr Carmichael is a principal and director of Ventnor which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, IPO's, corporate restructures and mergers and acquisitions. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree in 1995, gaining experience with KPMG Corporate Finance in Perth and London before joining ASX listed property services and engineering company UGL Limited (ASX:UGL).

Voting Exclusions

There are no voting exclusions on this resolution.

Board Recommendation

The Board (with Mr Carmichael abstaining) recommends that shareholders vote in favour of the re-election of Mr Carmichael. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Carmichael's re-election.

Resolution 4: Approval to grant 2,000,000 Performance Rights to Mr Andreas Kroell

Background

Resolution 4 of this Notice seeks Shareholder approval to grant 2,000,000 Performance Rights to Mr Andreas Kroell as his FY22 long term incentive on the terms described below and in accordance with the Company's

Incentive Option Plan (the Plan), as well as approval for the issue of any Shares on vesting and exercise of those Performance Rights. The full terms of the Performance rights to be issued are disclosed in the Annexure A.

These Performance Rights are proposed to be granted to Mr Kroell, in order to further align his interests with the interests of Shareholders.

As the Performance Rights will form part of Mr Kroell's remuneration, they will be granted for no cash payment and there will be no amount payable on vesting. Each vested Performance Right entitles Mr Kroell to be issued one ordinary fully paid share in the Company, or equivalent cash payment, on vesting. Prior to vesting, Performance Rights do not entitle Mr Kroell to any dividends or voting rights.

The Board believes that in order to compensate Mr Kroell in line with current market practices and remunerate him appropriately given the rapid growth of the Company, Performance Rights provide an appropriate and meaningful form of remuneration that aligns with Shareholder interests. The Board believes that the achievement of the service hurdles attached to these Performance Rights will be to the benefit of all Shareholders as these will motivate Mr Kroell to remain in the Company's employ to carry on his role of implementing and executing the Company's strategies and overseeing operations. In particular, the Board considers that the value attributed to the Performance Rights (as described below) and their associated terms and conditions represent reasonable remuneration for Mr Kroell as if the Company and Mr Kroell were dealing at arm's length.

Approval is being sought in this Resolution in respect of the proposed grant of Performance Rights to Mr Kroell under the Plan as a component of his overall executive remuneration package.

Terms of Performance Rights

A total of 2,000,000 Performance Rights will be granted to Mr Kroell under the Plan, subject to Shareholder approval. The Performance Rights will vest on 31 July 2024 provided he remains employed until that date; expiring on 31 July 2025 (Performance Period). Each Performance Right will entitle the holder to be issued one fully paid ordinary Share in the Company upon conversion of that Performance Right.

ASX Listing Rules

ASX Listing Rule 10.14 requires that the Company not permit a Director or their associates to acquire securities under an "employee incentive scheme" without Shareholder approval (unless an exception applies). The Board is therefore seeking Shareholder approval to grant Performance Rights to Mr Kroell on the terms set out above and under the Plan.

The Plan constitutes an "employee incentive scheme" under the ASX Listing Rules.

Disclosures for the purposes of ASX Listing Rule 10.14

The following disclosures are made for the purposes of ASX Listing Rule 10.15:

- (a) the name of the person is Mr Andreas Kroell;
- (b) Mr Kroell falls within ASX Listing Rule 10.14.1, as he is a Director of the Company;
- (c) the number and class of securities proposed to be issued is 2,000,000 Performance Rights;
- (d) Mr Kroell's remuneration package is as follows:
 - Base salary of A\$210,000 per annum, annual allowances of \$50,000 and a performance bonus, payable at the discretion of the Board.
- (e) The total number of securities previously issued to Mr Kroell under the Plan are 500,000 unlisted options at nil acquisition price;
- (f) Information about the securities is as follows:
 - The material terms of the securities are: the Performance Rights will vest on 31 July 2024 provided that Mr Kroell remains employed until that date; and will expire on 31 July 2025. Each Performance Right will entitle the holder to be issued one fully paid ordinary Share in the Company upon conversion of that Performance Right. There is no amount payable to convert the vested Performance Rights to Shares.
 - An explanation for the use of this type of security is set out above.

- The total value the entity attributes to these securities is \$416,000 based on the 30-day VWAP for the Company's shares for the period to 5 April 2022, assuming the maximum number of Performance Rights vest;
- (g) the entity expects to issue the Performance Rights within one month after the date of the meeting, and in any event, no later than 3 years after the date of the meeting;
 - (h) the Performance Rights will be granted to Mr Kroell at nil issue price;
 - (i) the material terms of the Plan can be found in Annexure A to this Explanatory Statement;
 - (j) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Kroell;
 - (k) details of any securities issued under the Plan will be published in the Annual Report of the Company relating to a period in which the securities were issued in addition to a statement that the securities were issued under ASX Listing Rule 10.14;
 - (l) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Performance Rights and Mr Andreas Kroell will receive the number of Performance Rights set out above, with the increase in his remuneration and potential increase in this shareholding as described above.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Andreas Kroell, and he will not receive the Performance Rights or potential shareholdings as described above.

Termination Benefits approval – section 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Kroell's unvested Performance Rights in the event Mr Kroell ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefits for the purposes of the Corporations Act. Where Mr Kroell ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Performance Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Kroell's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2024 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Performance Rights given in connection with Mr Kroell ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Performance Rights held by Mr Kroell prior to cessation of his employment;
- the date when, and circumstances in which, Mr Kroell ceases employment;
- whether performance hurdles are waived or (if not waived) met, and the number of Performance Rights that vest (which could be all of the Performance Rights held by Mr Kroell; and
- the market price of the Company's shares on ASX on the date Shares are provided to Mr Kroell upon vesting of the Performance Rights.

Voting Exclusions

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

Board Recommendation

The Board (with Mr Kroell abstaining) recommends that Shareholders vote in favour of Resolution 4. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolutions 5: Ratification of Prior Issue of 387,958 of Shares

Background

The Company is seeking shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue on 23 February 2022 (**Issue Date**) of 387,958 fully paid ordinary shares (**Shares**) at a deemed issue price of \$0.3222 (32.22 cents) per Share as deferred consideration for De.mem's April 2021 acquisition of the Capic business. The shares were issued to the Capic vendors in accordance with the Capic acquisition contractual terms, following the Capic business meeting relevant milestone which triggered the requirement to issue the Shares.

ASX Listing Rules

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2 applying. The issue of the Shares was within the Company's available placement capacity under ASX Listing Rule 7.1.

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

If this Resolution is approved, the prior issue of 387,958 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 387,958 Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this Resolution is not approved, the prior issue of 387,958 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 387,958 Shares as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

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

- (a) the shares were allotted and issued to Cipac Holdings Pty Ltd. There were no participants in the Issue that were investors required to be disclosed under ASX Guidance Note 21;
- (b) the number and class of securities issued was 387,958 fully paid ordinary shares in the Company;
- (c) the Shares were issued on 23 February 2022;
- (d) the Shares were issued at a deemed issue price of \$0.3222 (32.22 cents) per Share;
- (e) the purpose of the issue was to issue shares to the vendors of the Capic business, following the Capic business meeting certain milestones which triggered the contractual obligation, pursuant to the Capic acquisition agreement, for the Company to issue those shares as deferred consideration to the Capic vendors;
- (f) there were no funds raised from the issue of shares, as the shares were issued part consideration for De.mem's acquisition of the Capic business.
- (g) The shares were issued under the agreement between the Company and the vendors of the Capic business for the Company to acquire the Capic business. The acquisition was completed in April 2021 and the material terms of the agreement were:
 - a. A wholly owned subsidiary of the Company acquired the Capic business and assets;
 - b. Consideration for the acquisition comprised:

- i. Base Acquisition Consideration payable upon completion of the acquisition, comprising a cash payment of approximately \$3.4 million and the issue of 3,196,773 Shares;
- ii. Future potential Milestone Payments of \$750,000, comprising three separate payments of \$250,000 each, payable 50% in cash and 50% in Shares, subject to the satisfaction of revenue milestones. The milestone criteria were as follows:
 - Milestone 1: Revenue growth of at least 15% in the 12 months ended on 31 December 2021, vs. the 12 months ended on 31 December 2020 (being the shares the subject of this Resolution);
 - Milestone 2: Revenue growth of at least 35% in the 12 months ended on 31 December 2022, vs. the 12 months ended on 31 December 2020;
 - Milestone 3: Revenue growth of at least 60% in the 12 months ended on 31 December 2023, vs. the 12 months ended on 31 December 2020.

Voting Exclusions

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

Board Recommendation

The Board recommends that shareholders vote in favour of these Resolutions 5, to ratify the prior issue of 387,958 Shares as described above. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution 5.

Resolutions 6: Ratification of Prior Issue of 1,356,161 Shares

Background

The Company is seeking shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue on 1 April 2022 (**Issue Date**) of 1,356,161 fully paid ordinary shares (**Shares**), at a deemed issue price of \$0.2065 (20.65 cents) per share (**the Issue**), to the vendors of Stevco Seals & Pumps Victoria Pty Ltd (**Stevco**) as part consideration in relation to the acquisition of Stevco by the Company as announced on 22 March 2022 and 1 April 2022.

The Shares were issued without shareholder approval from the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. The Company is seeking shareholder approval to ratify the Issue.

ASX Listing Rules

ASX Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, excluding any issues that are subject to one of the exceptions in ASX Listing Rule 7.2 applying. The issue of the Shares was within the Company's available placement capacity under ASX Listing Rule 7.1.

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

If this Resolution is approved, the prior issue of 1,356,161 Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the 1,386,813 Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this Resolution is not approved, the prior issue of 1,356,161 Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the 1,356,161 Shares as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will

limit the Company's placement capacity under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

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

- (a) the shares were allotted and issued to the following parties:
 - Blannin Family Pty Ltd - 813,697 Shares
 - Steron and Shave Pty Ltd – 542,464 SharesThere were no participants in the Issue that were investors required to be disclosed under ASX Guidance Note 21
- (b) the number and class of securities issued was 1,356,161 fully paid ordinary shares in the Company.
- (c) the Shares were issued on 1 April 2022; and
- (d) the Shares were issued at a deemed issue price of \$0.2065 (20.65 cents) per Share.
- (e) the purpose of the issue was to provide the Shares as part consideration for the acquisition of Stevco. The Shares were not issued for cash, therefore no funds were raised by the issue;
- (f) The shares were issued under the agreement between the Company and the vendors of Stevco for the Company to acquire Stevco. The acquisition was completed in April 2022 and the material terms of the agreement were:
 - a. the Company acquired 100% of the issued shares of Stevco;
 - b. Consideration for the acquisition comprised:
 - i. Base Acquisition Consideration payable upon completion of the acquisition, comprising a cash payment of \$1.25 million and the issue of 1,210,858 Shares valued at \$250,000;
 - ii. Consideration payable upon completion of the acquisition, for the inventory of Stevco, comprising a cash payment of \$180,000 and the issue of 145,303 Shares valued at \$30,000;
 - iii. Future potential Milestone Payments as follows:
 - \$50,000 in cash plus \$50,000 in DEM shares (based on the weighted average share price during the 20 trading days prior to end of year 1 after the completion of the transaction), if Stevco achieves at least \$3 million in revenues in year 1 after the completion of the transaction; plus;
 - \$50,000 in cash plus \$50,000 in DEM shares (based on the weighted average share price during the 20 trading days prior to end of year 2 after the completion of the transaction), if Stevco achieves at least \$4 million in revenues in year 2 after the completion of the transaction.

Voting Exclusions

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

Board Recommendation

The Board recommends that shareholders vote in favour of this Resolution 6, to ratify the prior issue of 1,356,161 Shares as described above. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution 6.

Resolutions 7: Renewal of Incentive Option Plan

Resolution 7 seeks shareholder approval to re-approve the existing De.Mem Incentive Option Plan (the "Plan") previously approved by the shareholders at the Annual General Meeting on 2 December 2019.

The Plan is designed to align the interests of eligible employees more closely with the interests of the Company by providing an opportunity for eligible employees to receive an equity interest in the Company. The Plan enables the Board to offer eligible employees a number of equity related interests, including Shares, Options and Performance Rights.

Since 2 December 2019, the date on which Shareholders last approved the Plan, the Company has issued 5,610,000 securities under the Plan.

Approval is sought to issue up to 11,144,734 equity securities (shares, options or other rights including performance rights each conditionally entitling the applicable holder to one fully paid ordinary shares upon exercise or achievement of the applicable milestone). Any additional issues under the Plan above that number would require further shareholder approval.

The objectives of the Plan are to:

- provide eligible employees with an additional incentive to work to improve the performance of the Company;
- attract and retain eligible employees essential for the continued growth and development of the Company;
- promote and foster loyalty and support amongst eligible employees for the benefit of the Company;
- enhance the relationship between the Company and eligible employees for the long-term mutual benefit of all parties; and
- provide eligible employees with the opportunity to acquire shares, options or rights in the Company, in accordance with the Plan.

A summary of material terms of the Plan is set out as follows:

- the Plan sets out the framework for the offer of Shares, Options or Performance Rights by the Company, and is typical for a document of this nature;
- in making its decision to issue Shares, Options or Performance Rights, the Board may decide the number of securities and the vesting conditions which are to apply in respect of the securities. The Board has broad flexibility to issue Shares, Options or Performance Rights having regard to a range of potential vesting criteria and conditions;
- in certain circumstances, unvested Options or Performance Rights will immediately lapse and any unvested Shares held by the participant will be forfeited if the relevant person is a “bad leaver” as distinct from a “good leaver”;

A copy of the Plan is available to shareholders free of charge on request.

ASX Listing Rules Chapter 7

ASX Listing Rule 7.1 requires that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 exception 13 provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years after shareholder approval of the scheme. The Company therefore seeks approval of the Plan under ASX Listing Rule 7.2 Exception 13 so that issues of securities under the Plan do not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

Corporations Act

Approval is also sought under Resolution 7 for the purposes of sections 259B and 260C of the Corporations Act 2001 (Cth).

The Plan provides for the Company to take security over shares issued under the Plan, and to place restrictions on transfer and voting which may also constitute taking security over its own shares. Section 259B(1) of the Corporations Act provides that a company must not take security over shares in itself except as permitted by the Corporations Act. Section 259B(2) provides that the Company may take security over shares in itself under an employee share scheme that has been approved by shareholders at a general meeting. Resolution 7 seeks approval of the Plan for the purposes of section 259B(2) of the Corporations Act.

Under section 260C(4) of the Corporations Act, a company may financially assist a person to acquire its shares if the financial assistance is given under an employee share scheme that is approved by shareholders at a general meeting. The Plan provides that the Company may make loans in respect of shares or other securities issued or to be acquired under the Plan and/or acquire shares or other securities to be held on trust for eligible participants. This may be considered to be the Company providing financial assistance for the acquisition of its own shares or other securities. Accordingly, Resolution 7 seeks approval of the Plan for the purposes of section 260C(4) of the Corporations Act.

Voting Exclusions

See Note 5 for voting exclusions on this Resolution.

Board Recommendation

As the Directors of the Company are excluded from voting pursuant to the Listing Rules, they make no recommendation to the shareholders in respect of the Plan.

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

SPECIAL BUSINESS

Resolution 8: Approval of amendments to the Constitution to allow virtual meetings permanently

Background

As part of its regular review of its operations in order to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

The amendments are proposed in order to: bring the provisions of the Constitution in line with recent technological updates; assist the Company to streamline communications with shareholders; utilise various electronic platforms and tools to hold and conduct shareholder meetings; and align with CHES rule changes.

Section 136(2) of the Corporations Act states that a company may “modify or repeal its constitution, or provision of its constitution, by special resolution”. Accordingly, this Resolution 8 is proposed as a special resolution.

Proposed Amendments

By Resolution 8, the Company seeks shareholder approval for the purposes of section 136(2) of the Corporations Act, and for all other purposes, to amend the Constitution as follows.

1. Enable the Company to hold virtual meetings

(a) Insert the following definition in clause 1.1:

Virtual meeting technology means, in terms of section 253Q of the Corporations Act, an instantaneous audio-visual communication device or similar form of technology which, by itself or in conjunction with other arrangements:

1. gives the persons entitled to attend the meeting, as a whole, a reasonable opportunity to participate in proceedings in the main place without being physically present in the same place;
2. enables the chair to be aware of proceedings in the other place(s); and
3. enables the Members in the separate meeting place(s) to vote on a show of hands or on a poll.

(b) Insert the following new clause 12.10

12.10 Virtual meetings

- (a) Virtual meeting technology may be used in holding a general meeting either on its own without a main place of attendance or by linking several meeting places to the main place of the general meeting.

- (b) Where the general meeting is held by virtual meeting technology without a main place of attendance, the place of meeting is deemed to be the registered office of the Company and the time of meeting is taken to be time at the registered office of the Company.
- (c) If virtual technology is used and/or a separate meeting place (or places) is (or are) linked to the main place of a general meeting by virtual meeting technology, Members present at the separate meeting place(s) are taken to be present at the general meeting and are entitled to exercise all rights as if they were present at the main place.
- (d) If, before or during the general meeting, any technical difficulty occurs affecting virtual meeting technology and impairing Members' rights under section 253Q of the Corporations Act, the chair may:
 - 1. adjourn the general meeting until the difficulty is remedied; or
 - 2. continue to hold the general meeting in the main place (and any other place(s) linked by technology under clause 12.10(a)) and transact business, and no Member may object to the general meeting being held or continuing.

2. Clarifying position of joint holders and amending Constitution to align with changes to CHES rules regarding joint holdings

(a) Replace existing Clause 9.8 and insert new Clause 9.9 as follows

9.8 Joint holders

Two (2) or more persons registered as the holders of any Share are deemed to hold the Share as joint tenants with benefits of survivorship, subject to the following provisions:

- (a) the joint holders are jointly and severally liable for all payments (including calls and instalments) made for the Share;
- (b) if a joint holder dies, the survivor or survivors are the only person or persons recognised by the Company as having any title to the Share, but the Directors may require evidence of death;
- (c) any one joint holder may give a valid receipt for any distribution or other amount payable to the joint holders; and
- (d) delivery of a notice or a certificate for a Share to any joint holder is sufficient delivery to all the joint holders.

9.9 More than four persons registered

The Company is entitled to and in respect of CHES Holdings, must:

- (a) record the names of only the first four (4) joint holders of a Share on the Register;
- (b) regard the four (4) joint holders of a Share appearing first on the Register as the registered holders of that Share to the exclusion of any other holders; and
- (c) disregard the entitlement of any person to be registered on the Register as a holder if the name of the person would appear on the Register after the first four (4) holders for that Share.

3. Amendment of meeting notice provisions to reflect Corporations Act changes, in particular, section 253RA, enabling giving of notice by electronic or other means

(a) Amend clauses 26.1, 26.4, 26.5, 26.6 and 26.7 by inserting the words underlined below

26.1 Service by the Company to Shareholders

A notice, or a document relating to a notice, may be given by the Company to any Shareholder either by:

- (a) serving it on him or her personally; or
- (b) by sending it by post to the Shareholder at his or her address as shown in the Register of Shareholders or the address supplied by the Shareholder to the Company for the giving of notices to this person. Notices, or documents relating to a notice, to Shareholders whose registered address is outside Australia shall be sent by airmail or, where applicable, by the means provided for by clause 26.9; or
- (c) be sending it by fax or other electronic means (including providing a URL link to any document or attachment) to the fax number or electronic address nominated by the Shareholder for giving notices.

26.4 Deemed receipt of Notice

A notice, or a document relating to a notice, will be deemed to be received by a Shareholder when:

- (a) where a notice, or a document relating to a notice, is served personally, service of the notice shall be deemed to be effected when hand delivered to the member in person;
- (b) where a notice, or a document relating to a notice, is sent by post, service of the notice, or document relating to that notice, shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, or document relating to that notice, and to have been effected, in the case of a notice of a meeting, or a document relating to that notice, on the date after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post;
- (c) where a notice, or a document relating to a notice, is sent by facsimile, service of the notice, or document relating to that notice, shall be deemed to be effected upon confirmation being received by the Company that all pages of the notice, or document relating to that notice, have been successfully transmitted to the Shareholder's facsimile machine at the facsimile number nominated by the Shareholder; and
- (d) where a notice, or a document relating to a notice, is sent to an electronic address by electronic means, service of the notice, or document relating to that notice, shall be deemed to be effected once sent by the Company to the electronic address nominated by the Shareholder (regardless of whether or not the notice, or document relating to that notice, is actually received by the Shareholder).

26.5 Notice to Joint Holders

A notice, or a document relating to a notice, may be given by the Company to the joint holders of a Share by giving the notice, or document relating to that notice, to the joint holder first named in the Register of Shareholders in respect of the Share.

26.6 Notices to Personal Representatives and Others

A notice, or a document relating to a notice, may be given by the Company to a person entitled to a Share in consequence of the death or bankruptcy of a Shareholder by serving it on him or her or by sending it to him or her by post addressed to the person by name or by the title or representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

26.7 Persons Entitled to Notice

Notice of every general meeting, or a document relating to that notice, shall be given to each person who at the time of giving the notice, or document relating to that notice, is:

Voting Exclusions

There are no voting exclusions applicable to this Resolution.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

Resolution 9: Approval of 10% Placement Facility

Background

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

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 9 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below) and the Company will be able to issue Equity Securities from the 10% Placement Facility, as noted below, without any further shareholder approval.

If Shareholders do not approve Resolution 9, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes

cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue 3 classes of Equity Securities, quoted Fully Paid Ordinary Shares and Unquoted Options and Performance Rights.

(c) Formula for calculating 10% Placement Facility

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

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

- A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement):
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
 - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;
 - (E) plus the number of partly paid shares that became fully paid in the relevant period;
 - (F) less the number of fully paid shares cancelled in the relevant period.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

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

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

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

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 24 May 2022, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 24 May 2023;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
 - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 01 April 2022 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.11 50% decrease in Issue Price	\$0.22 Issue Price	\$0.44 100% increase in Issue Price
Current Variable A 222,894,691 Shares	10% Voting Dilution	22,289,469 Shares		
	Funds raised	\$ 2,451,842	\$ 4,903,683	\$ 9,807,366
50% increase in current Variable A 334,342,037 Shares	10% Voting Dilution	33,434,204 Shares		
	Funds raised	\$ 3,677,762	\$ 7,355,525	\$ 14,711,050
100% increase in current Variable A 445,789,382 Shares	10% Voting Dilution	44,578,938 Shares		
	Funds raised	\$ 4,903,683	\$ 9,807,366	\$ 19,614,733

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is **\$0.22** (22.0 cents), being the closing price of the Shares on ASX on **5 April 2022**.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:
- (i) the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- Any allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (f) Information about equity securities issued under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting:
- (i) the Company has not issued, or agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting;
 - (ii) the Company has not agreed, before the 12-month period preceding the date of the Meeting, to issue any Equity Securities under Rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

Board Recommendation

The Board believes that Resolution 9 is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this Resolution.

GLOSSARY

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

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

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

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

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

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

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

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

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

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

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

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

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Incentive Option Plan**” or “**Plan**” means the employee incentive scheme adopted by the Company following the day of this annual general meeting.

“**Equity Security**” has the same meaning as in the Listing Rules;

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

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

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

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

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

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

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 31 December 2021 and which is set out in the 2021 Annual Report.

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

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

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

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

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

Annexure A

Terms and Conditions of the Performance Rights

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

Terms of Performance Rights

(a) Entitlement

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

(b) Exercise of Performance Rights

- (i) 2,000,000 unlisted Performance Rights will vest on 31 July 2024 (**Vesting Date**), conditional upon the holder completing continuous employment by the Company from the Grant Date to the Vesting Date.
- (ii) The final date and time for exercise of the Performance Rights is 5.00pm (AEDT) 31 July 2025, if such date falls on a day that is not a Business Day, the final date will be the next Business Day (**Expiry Date**).
- (iii) The exercise price for the Performance Rights will be Nil.
- (iv) Each Performance Right is exercisable by the Performance Right holder signing and delivering a notice of exercise of Performance Rights to the Company's Share Registry or Company Secretary.
- (v) All Performance Rights will lapse on the earlier of the:
 - (A) expiry of the final date and time for exercise of the Performance Right; and
 - (B) immediately upon cessation of the Performance Right holder employment agreement with the Company.
- (vi) In the event of liquidation of the Company, all unexercised Performance Rights will lapse.

(c) Quotation

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

(d) Participation in Securities Issues

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

(e) Participation in a Reorganisation of Capital

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

(ii) In any reorganisation as referred to in paragraph (e)(i), Performance Rights will be treated in the following manner:

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

(f) Transfer of Performance Rights

The Performance Rights are non-transferrable.

(g) Voting Rights

The Performance Rights does not confer any voting rights.

(h) Dividends

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

(i) Return of Capital

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

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

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

(k) Bonus or entitlement issues

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

(l) Change of control

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

Annexure B

De.Mem Incentive Option Plan (“the Plan”)

A summary of material terms of the Company’s Incentive Option Plan (referred to below as the Plan) is set out below. A fully copy of the Plan terms can also be obtained from the Company’s website at <https://demembranes.com/investors/> under the Investors tab.

Terms not otherwise defined in the Notice or Explanatory Memorandum have the meaning given to them under the Plan:

Eligibility: participants in the Plan may be:

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

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

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

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

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

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

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

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

Transferability: An Option cannot be transferred, assigned or otherwise disposed or encumbered, except:

- (i) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
- (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

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

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

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

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

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

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

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

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

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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



ALL ENQUIRIES TO

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

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **4:00pm(AEST) on Sunday, 22 May 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **4:00pm(AEST) on Tuesday, 24 May 2022 at Leydin Freyer Office, Level 4, 96-100 Albert Road, South Melbourne, VIC 3205, virtually via a webinar conferencing facility (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1, 4 & 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, 4 & 7, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	☐	☐	☐	9 Approval of 10% Placement Facility	☐	☐	☐
2 Re-election of Cosimo Trimiglozzi as a director of the Company	☐	☐	☐				
3 Re-election of Stuart Carmichael as a director of the Company	☐	☐	☐				
4 Approval to grant 2,000,000 Performance Rights to Mr Andreas Kroell	☐	☐	☐				
5 Ratification of Prior Issue of 387,958 of Shares	☐	☐	☐				
6 Ratification of Prior Issue of 1,356,161 of Shares	☐	☐	☐				
7 Renewal of Employee Incentive Plan	☐	☐	☐				
8 Approval to amend the Company's Constitution	☐	☐	☐				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

DEM PRX2201D