

DXN LIMITED
ACN 620 888 548
NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:30 am (AEDT)

DATE: Friday, 26 November 2021

PLACE: The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform where Shareholders will be able to watch, listen and vote online.
[Click on this link to register](#)

Details on how to access the virtual Meeting are set out in this Notice.

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDST) on Wednesday, 24 November 2021.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial period ended 30 June 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company's annual financial report for the financial year ended 30 June 2021."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN BAILLIE

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

"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Baillie, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR MATTHEW MADDEN

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

"That, for the purposes of Section 195(4), Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 14,750,000 Performance Rights to Matthew Madden (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR JOHN BAILLIE

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

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,600,000 Performance Rights to John Baillie (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR JOHN DIMITROPOULOS

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

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,580,000 Performance Rights to John Dimitropoulos (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR RICHARD CARDEN

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

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,580,000 Performance Rights to Richard Carden (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

Dated: 18th October 2021

BY ORDER OF THE BOARD


GEORGE LAZAROU
COMPANY SECRETARY
DXN LIMITED

Voting Exclusion Statements

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

Resolution 3 – Issue of Performance Rights to Related Party- Mr Matthew Madden	Mr Matthew Madden (or his nominee), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons.
Resolution 4 – Issue of Performance Rights to Related Party- Mr John Baillie	Mr John Baillie (or his nominee), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons.
Resolution 5 – Issue of Performance Rights to Related Party- Mr John Dimitropoulos	Mr John Dimitropoulos (or his nominee), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons.
Resolution 6 – Issue of Performance Rights to Related Party- Mr Richard Carden	Mr Richard Carden (or his nominee), and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons..
Resolution 7 – Adoption of Employee Securities Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

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

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

Voting Prohibition Statements:

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 3 – Issue of Performance Rights to Related Party- Mr Matthew Madden	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 3 Excluded Party).</p> <p>However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 4 – Issue of Performance Rights to Related Party- Mr John Baillie

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 5 – Issue of Performance Rights to Related Party- Mr John Dimitropoulos

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 6 – Issue of Performance Rights to Related Party- Mr Richard Carden

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**).

However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 7 – Adoption of Incentive Option Plan

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

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

Voting in person

In light of the status of the evolving COVID-19 situation, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by [Click on this link to register](#) where Shareholders will be able to watch, listen, and vote online.

VIRTUAL MEETING

Venue

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), will be sent a Meeting ID & Shareholder ID in advance for the virtual Meeting here:

[Click on this link to register](#)

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to George Lazarou, Company Secretary at george.lazarou@dxn.solutions at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Voting virtually

Shareholders who wish to vote virtually on the day of the Meeting will need to login to [Click on this link to register](#).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 1300 328 239.

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has previously elected to receive one pursuant to section 314 of the Corporations Act. The Company's annual financial report is available on its website at www.dxn.solutions**Error! Hyperlink reference not valid.**

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the directors or the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2021.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JOHN BAILLIE

2.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

Mr John Baillie, who has served as a Director since 23 May 2019 and was last re-elected on 28 November 2019, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Baillie has over 25 years' experience in financial services, including wealth management, corporate advisory, investor relations and private equity capital raisings. Mr Baillie was a Senior Investment Advisor with Shaw and Partners (formally Shaw Stockbroking) for 22 years, with a focus on portfolio management, trading and private equity raisings. In 2015 Mr Baillie established JB & Partners Corporate Advisory that specializes in strategic advice and succession planning for private companies; particularly family businesses. He has advised in a diverse range of industries, including financial services (particularly AFSL issues), FMCG companies, e-Commerce and the funeral industry.

2.3 Independence

Mr Baillie has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board considers Mr Baillie will be an independent director.

2.4 Directors' recommendation

The Board has reviewed Mr Baillie's performance since his appointment to the Board and considers that Mr Baillie's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Baillie and recommends that Shareholders vote in favour of Resolution 2.

3. RESOLUTIONS 3 TO 6 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTORS

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 31,510,000 Performance Rights (**Incentive Performance Rights**) to the Board on the terms and conditions set out below and Schedule 1.

The issue of the Incentive Performance Rights is a non-cash form of long term remuneration for the Board and will allow the Company to spend a greater portion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors.

The grant of the Incentive Performance Rights also provides a performance linked incentive component in the remuneration package to motivate and reward the performance of the Directors in their roles Directors.

Resolutions 3 to 6 (inclusive) seek Shareholder approval for the issue of the Options to the Related Parties. Resolutions 3 to 6 (inclusive) are not conditional upon one another.

3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Performance Rights constitutes giving a financial benefit and each of the Directors is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Options. Accordingly, Shareholder approval for the issue of Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

3.3 Listing Rule 10.11

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Incentive Performance Rights to the Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 to 6 (inclusive) seek the required Shareholder approval for the issue of the Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 3 to 6 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to each of the Directors within one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

3.5 If Resolutions 3 to 6 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights. Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 to 6:

- (a) the Incentive Performance Rights will be issued to the following persons:
- (i) Mr Matthew Madden (or his nominee) pursuant to Resolution 3;
 - (ii) Mr John Baillie (or his nominee) pursuant to Resolution 4;
 - (iii) Mr John Dimitropoulos (or his nominee) pursuant to Resolution 5; and
 - (iv) Mr Richard Carden (or his nominee) pursuant to Resolution 6,
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to the Directors (being the nature of the financial benefit proposed to be given) is 31,510,000 comprising:

- For personal use only
- (i) 14,750,000 Incentive Performance Rights to Mr Madden (or his nominee) pursuant to Resolution 3;
 - (ii) 7,600,000 Incentive Performance Rights to Mr Baillie (or his nominee) pursuant to Resolution 4;
 - (iii) 4,580,000 Incentive Performance Rights to Mr Dimitropoulos (or his nominee) pursuant to Resolution 5; and
 - (iv) 4,580,000 Incentive Performance Rights to Mr Carden (or his nominee) pursuant to Resolution 6;
 - (c) the terms and conditions of the Incentive Performance Rights are set out in Schedule 1;
 - (d) the Incentive Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Incentive Performance Rights will occur on the same date;
 - (e) the issue price of the Incentive Performance Rights will be nil. There is no consideration payable on the vesting of Incentive Performance Rights to Shares, accordingly no funds will be raised on issue of the Performance Rights or the vesting into Shares;
 - (f) the purpose of the issue of the Incentive Performance Rights is to provide an additional performance linked incentive component in the remuneration package for the Directors to further align their interests with those of Shareholders, to motivate and reward the performance of the Directors and to provide a cost effective way from the Company to remunerate the Directors, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors;
 - (g) the Incentive Performance Rights will be unquoted. The Company has agreed to issue the Incentive Performance Rights to the Directors (subject to Shareholder approval) for the following reasons:
 - (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Directors in respect of an issue of Incentive Performance Rights is also beneficial to the Company as it means the Directors are not required to immediately any Shares they hold to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;
 - (h) the number of Incentive Performance Rights to be issued to each of the Directors has been determined based upon a consideration of:

- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- (ii) the remuneration of the Directors; and
- (iii) incentives to attract and ensure continuity of service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (i) the total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Director	Current Financial Year	Previous Financial Year
Matthew Madden	\$327,500 ¹	\$555,039 ²
John Baillie	\$92,400 ³	\$62,000 ⁴
John Dimitropoulos	\$57,090 ⁵	\$29,565 ⁶
Richard Carden	\$51,900 ⁷	\$35,400 ⁸

Notes:

1. Comprising fixed base salary inclusive of superannuation.
 2. Comprising base salary of \$300,000, a cash bonus of \$25,398, superannuation of \$25,000 and an equity-based payment of \$204,641.
 3. Comprising Director Fees.
 4. Comprising Director Fees.
 5. Comprising Director and Committee fees.
 6. Appointed 1 October 2020. Comprising base salary of \$27,000 and superannuation of \$2,565.
 7. Comprising Director and Committee fees.
 8. Comprising Director Fees.
- (j) the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 2;
- (k) the Incentive Performance Rights are not being issued under an agreement;
- (l) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Matthew Madden	5,000,000	12,500,000 ²	6,000,000 ³
John Baillie	2,634,982	Nil	Nil
John Dimitropoulos	Nil	Nil	Nil
Richard Carden	3,312,500	Nil	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: DXN).
2. 7,500,000 unlisted options exercisable at \$0.10 at or before 19 August 2022 and 5,000,000 listed options exercisable at \$0.02 on or before 18 May 2023.
3. Various vesting conditions, which if not met, lapse on 30 June 2022.

- (m) if the Incentive Performance Rights issued to the Directors are exercised, a total of 31,510,000 Shares would be issued. This will increase the number of Shares on issue from 1,422,648,124 (being the total number of Shares on issue as at the date of this Notice) to 1,454,158,124 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.2%;
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:
- | | Price | Date |
|---------|---------|-------------------|
| Highest | \$0.022 | 23 October 2020 |
| Lowest | \$0.008 | 23 September 2021 |
| Last | \$0.011 | 14 October 2021 |
- (o) each Director has a material personal interest in the outcome of Resolutions 3 to 6 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 3 to 6 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 3 to 6 of this Notice; and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3 to 6 (inclusive).

4. RESOLUTION 7 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

Resolution 7 seeks Shareholder approval for the re-adoption of the Company's Employee Securities Incentive Plan (**Plan**) and for the issue of securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The Plan was last approved by Shareholders at the Company's annual general meeting held on 29 November 2018.

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

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

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the

meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 7 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of three (3) years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 4.2(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

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

If Resolution 7 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

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

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 7:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 3;
- (b) since Shareholder approval was last obtained for the Plan, the Company has issued 29,207,669 securities under the Plan, being 21,707,669 performance rights, of which 6,995,856 performance rights have vested and converted into Shares and 7,500,000 options, of which none have vested and been exercised; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 142,264,812 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

6. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

6.1 General

Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$15,649,129 (based on the number of Shares on issue and the closing price of Shares on the ASX on 15 October 2021).

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 8:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that 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 entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate to provide further funding, if required, for assessment of future opportunities in the data centre industry, ongoing

administration and corporate costs, general working capital and/or for the acquisition of new businesses, assets or other investments.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 13 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

			Dilution		
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.006	\$0.012	\$0.018
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	1,422,648,124 Shares	142,264,812 Shares	\$853,588	\$1,707,177	\$2,560,766
50% increase	2,133,972,186 Shares	213,397,219 Shares	\$1,280,383	\$2,560,766	\$3,841,149
100% increase	2,845,296,248 Shares	284,529,625 Shares	\$1,707,177	\$3,414,355	\$5,121,533

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,422,648,124 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 13 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

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

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 23 November 2020 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 26 November 2020, the Company issued 106,131,853 Equity Securities pursuant to the Previous Approval (**Previous Issue**), which represent approximately 6.10% of the total number of Equity Securities on issue in the Company on 26 November 2020, which was 1,740,306,471.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date	Issue Date – 10 September 2021
Recipients	Part of a Share Placement to professional and sophisticated investors as announced on 9 September 2021. The placement participants were clients of TMT Partners Pty Ltd who acted as Lead Manager to the Placement. None of these shares were issued to related parties of the Company.
Number and Class of Equity Securities Issued	106,131,853 Shares (issued under Listing Rule 7.1A)
Issue Price and discount to Market Price¹	\$0.009 per Share (at a discount of 16 % to the Company's 30-day volume weighted average price).
Consideration	<p>Amount raised: \$955,187</p> <p>Amount spent: \$Nil</p> <p>Use of funds: Funds will be applied towards the acquisition of 100% of the shares on issue in Secure Data Centre Pty Ltd ATF SDC Trust and 100% of the units on issue in the SDC Trust, which owns a data centre in Darwin, Northern Territory and additional working capital.</p>

6.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires. Other terms are defined within the Explanatory Statement.

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

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

ASIC means Australian Securities and Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors.

Chair means the chair of the Meeting.

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

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

Company means DXN Limited (ACN 620 888 548).

Constitution means the Company's constitution.

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

Director means a current director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this explanatory statement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those 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.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of annual general meeting which this Explanatory Statement accompanies.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given to that term in the Corporations Act.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice of Annual General Meeting and **Resolution** means any one of them.

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

Shareholder means a holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

SCHEDULE 1 – SUMMARY OF TERMS OF INCENTIVE PERFORMANCE RIGHTS

The key terms of the Incentive Performance Rights are as follows:

(a) Vesting Conditions and Expiry Dates

Vesting Conditions:

- (a) 3 years of service (continued employment) with the Company from 1 July 2021 to 30 June 2024; and
- (b) The Company achieving the following Compound Growth in Total Shareholder Return (TSR CAGR) over the 3-year period from 1 July 2021 to 30 June 2024:

TSR CAGR	% Vesting
Less than 35%	0
35 - 45%	50 – 100 on a pro-rata basis
Greater than 45%	100

$$\text{TSR} = \frac{(\text{Current Share Price} - \text{Share Price on Allocation}) + \text{Dividends paid}}{\text{Share Price on Allocation}}$$

For the avoidance of doubt, the Company will utilise Crichton & Associates to provide the TSR calculations.

(b) Notification to holder

The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.

(c) Conversion

Subject to paragraph (p), upon satisfaction of the applicable Vesting Condition, each Incentive Performance Right will, at the election of the holder by notice to the Company in writing, convert into one Share.

(d) Conversion on change of control

Subject to paragraph (p) below and notwithstanding the relevant Vesting Condition has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Incentive Performance Rights shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Incentive Performance Rights that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis for each holder of Incentive Performance Rights. Incentive Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holders on the same terms and conditions.

(e) **Lapse of an Incentive Performance Right**

Any Incentive Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse. For the avoidance of doubt, an Incentive Performance Right will not lapse in the event a relevant Vesting Condition is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (p) below.

(f) **Fraudulent or dishonest action**

If a holder ceases to be an Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:

- (i) the Board must deem any Incentive Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (ii) any Incentive Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Vesting Condition has previously been met, and any Shares issued on satisfaction of the applicable Vesting Condition will remain the property of the holder.

(g) **Ceasing to be a Director**

If a holder ceases to be a Director of the Company in circumstances where the cessation or termination arises because the holder:

- (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
- (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
- (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
- (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,

then:

- (v) unless the Board decides otherwise in its absolute discretion, will deem any Incentive Performance Rights of the holder to have immediately lapsed and be forfeited; and

- (vi) any Incentive Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Milestone has previously been met and any Shares issued on satisfaction of the applicable Milestone will remain the property of the holder.

(h) **Other circumstances**

The Incentive Performance Rights will not lapse and be forfeited where the holder ceases to be an employee or Director of the Company for one of the following reasons:

- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work in his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
- (ii) redundancy (being where the holder ceases to be an employee or Director due to the Company no longer requiring the holder's position to be performed by any person); or
- (iii) any other reason, other than a reason listed in paragraph (f) and (g) (not including (g)(i), in which case the Board may exercise its absolute discretion to allow the resigned to retain their Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Performance Rights,

and in those circumstances the Incentive Performance Rights will continue to be subject to the applicable Milestone.

(i) **Share ranking**

All Shares issued upon the conversion of Incentive Performance Rights will upon issue rank pari passu in all respects with existing Shares.

(j) **Application to ASX**

The Incentive Performance Rights will not be quoted on ASX.

(k) **Timing of issue of Shares on Conversion**

Within 10 Business Days after the date that the Company receives notice from the holder in accordance with paragraph (c), the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Incentive Performance Rights.

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

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(l) **Transfer of Incentive Performance Rights**

The Incentive Performance Rights are not transferable.

(m) **Participation in new issues**

An Incentive Performance Right does not entitle a holder (in their capacity as a holder of an Incentive Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(n) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(o) **Dividend and Voting Rights**

The Incentive Performance Rights do not confer on the holder an entitlement to vote on any resolutions proposed by the Company (except as otherwise required by law) or receive dividends.

(p) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of an Incentive Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Incentive Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of an Incentive Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of an Incentive Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (p)(i) within seven days if the Company considers that the conversion of an Incentive Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition.

(q) **No rights to return of capital**

An Incentive Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(r) **Rights on winding up**

An Incentive Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(s) **Tax Deferral**

For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on performance rights, applies (subject to the conditions in that Act) to the Incentive Performance Rights.

(t) **No other rights**

An Incentive Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(u) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Incentive Performance Rights to ensure compliance with the ASX Listing Rules.

SCHEDULE 2 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 3 to 6 have been valued by internal management.

Using the Black & Scholes model / a pricing model that incorporates a Monte Carlo simulation and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Item	
Value of the underlying Shares	\$0.012
Valuation date	13 October 2021
Commencement of performance/vesting period	1 July 2021
Performance measurement/vesting date	30 June 2024
Expiry date	15 July 2024
Term of the Performance Right	3 years
Volatility (discount)	100%
Risk-free interest rate	0.48%
Total Value of Incentive Performance Rights	\$378,120
- Matthew Madden (Resolution 3)	\$177,000
- John Baillie (Resolution 4)	\$91,200
- John Dimitropoulos (Resolution 5)	\$54,960
- Richard Carden (Resolution 6)	\$54,960

Note: The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 3 – SUMMARY OF EIP KEY TERMS AND KEY POLICY SETTINGS

Eligibility

The Board has the discretion to determine which employees the Company will offer and issue Awards to. The employees who are eligible to participate under the rules of the EIP include any full time or permanent part time employee, certain contractors (current or prospective) or officer or director of the Company or any related body corporate of the Company.

Awards

The awards that the Board may offer under the EIP include Options, performance rights, services rights, deferred share awards, exempt share awards, cash rights and stock appreciation rights (**Awards**).

Vesting conditions

The vesting of any Award issued under the EIP, excluding exempt share awards and stock appreciation rights, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of Awards

Unless specified in the offer documents, vested Awards issued under the EIP will not automatically trigger the exercise of the Awards. However, a participant will be entitled to exercise the Award in accordance with the terms contained in the offer to the individual and the rules of the EIP.

Any exercise must be for a minimum number of multiple of Shares (if any) specified in the terms of the offer documents.

Price

Awards issued under the EIP may be issued at no cost to the participants and without the participant needing to pay a subscription price or exercise price. However, Awards, once vested, may be subject to payment of an exercise price by the participant, which exercise price will be determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture

Awards issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the Award;
- any date which the Board determines that vesting conditions applicable to the Award must be satisfied by, unless waived by the Board;
- the participant dealing in respect of the securities in contravention of the EIP; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Board may elect to settle Awards in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares under the EIP, the Company may, in lieu and final

satisfaction of the Company's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant in accordance with the terms of the EIP.

Waiving the restriction period

The Board may waive or shorten the restriction period imposed on an Award issued under the EIP.

Any restriction period imposed on an Award will be specified in the individual offer documents to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the EIP), the Board will determine, in its sole and absolute discretion, the manner in which all vested and unvested Awards issued under the EIP shall be dealt with.

Cessation of employment

All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

No dealing or hedging

Dealing restrictions apply to restricted Awards issued under the EIP in accordance with the rules of the EIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested Awards issued under the EIP.

Rights attaching to Shares

Shares issued under the EIP will rank equally with all existing Shares of the Company on and from the date of issue or transfer, including any applicable dividend and voting rights.

Company may issue or acquire Shares

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue for transfer to a participant, or a combination of both, to satisfy the Company's obligations under the EIP.

Adjustments

The Board may make any adjustment it considers appropriate to the terms of an Award issued under the EIP in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Dilution limit

The number of Shares that may be issued upon exercise of Awards issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus and made in accordance with a Notice of Reliance (CF 08). These limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous three years from share issues under all employee share schemes established by a company (including as a result of exercise of options to acquire shares granted to the previous three years under any such employee share scheme), must not exceed 5% of the total number of shares on issue. Certain unregulated offers, including offers to senior managers and

overseas residents are excluded.

An overall limit of 15% for employee share scheme offers is imposed. At the date of this Notice 15% was outstanding.

Continued operation of the plan

The EIP may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.

For personal use only



DXN Limited | ACN 620 888 548

Proxy Voting Form

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

[HolderNumber]

Holder Number:
[HolderNumber]

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Your proxy voting instruction must be received by **11.30am (AEDT) on Wednesday, 24 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

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Email Address:

Contact Daytime Telephone

--	--	--	--	--	--	--	--	--	--

Date (DD/MM/YY)

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).