

16 July 2020

Dear Shareholder,

EXTRAORDINARY GENERAL MEETING 2020

An Extraordinary General Meeting (**EGM** or **Meeting**) of thedocyard Limited (ASX: TDY) will be held at **11.00am (AEST)** on **Tuesday, 18 August 2020**. Due to COVID-19 restrictions on public gatherings, the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 05 May 2020, the Company will not be dispatching physical copies of the EGM Notice. Instead the EGM Notice of Meeting and accompanying explanatory statements (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials and Online User Guide (voting) online at the Company's website <https://www.thedocyard.co/investor-relations/>
- If you have provided an email address and 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 accompanying proxy form. Alternatively, if you have elected to receive via post, a proxy form and reply-paid envelope will be mailed to your nominated address.

Shareholders can listen and participate in the audio Meeting using the online platform at <http://web.lumiagm.com> or via the Lumi AGM app through a computer or mobile device. The ID number of the Meeting is: **344739254**. More details relating to this are contained in the Meeting Materials and Online User Guide.

Shareholders will be asked to support several resolutions being put to the meeting, namely the ratification of shares and options issued as consideration for the acquisition of LockBox Technologies and shares and options allocated through the Company's recent placement. Please refer to ASX Announcements on 6 July and 8 July 2020 for further information.

Your participation at the Meeting via the online platform will be both welcome and appreciated by your Directors. Participating in the Meeting online enables all Shareholders to listen to the meeting live, ask text-based questions and cast votes in the real time poll at the appropriate times during the Meeting. Shareholders should refer to the Notice of Meeting and Online User Guide for more information.

If you are unable to participate at the meeting, a proxy voting form is enclosed for your use. Online proxies and proxy voting forms must be received **no later than 11.00am (AEST) on Sunday 16 August 2020**.

Voting on all resolutions will be available during the course of the Meeting and the final results of all resolutions will be published to the ASX shortly after the close of Meeting.

Shareholders can submit any questions in advance of the Meeting by emailing the questions to marika.white@emersonoperations.com.au by no later than 5.00pm (AEST) on Tuesday 11 August 2020.

I look forward to your participation in the Meeting.

Yours sincerely,



James Walker
Chair

THE DOCYARD LIMITED
ACN 602 586 407
(THE COMPANY)

NOTICE OF EXTRAORDINARY GENERAL MEETING

**An Extraordinary General Meeting of the Company to be held on
Tuesday 18 August 2020 at 11.00am (AEST)**

To facilitate a meeting that is safe, inclusive and cost effective, the Meeting will be held virtually only and will not be held physically. This measure is being adopted to ensure compliance with the Australian Government's restrictions on public gatherings and the safety of Shareholders due to the COVID-19 pandemic.

*The Company strongly encourages Shareholders to vote prior to the Meeting, even if they intend to participate in the Meeting online. Proxy forms for the meeting can be found attached to this notice and should be completed and lodged with the Company before **11.00am (AEST) on Sunday 16 August 2020.***

*Shareholders can also submit any questions in advance of the Meeting by emailing the questions to marika.white@emersonoperations.com.au by no later than **5.00pm (AEST) on Tuesday 11 August 2020.***

The business of the Meeting affects your shareholding and your vote is important. This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 423 149 096

THE DOCYARD LIMITED
ACN 602 586 407

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of thedocyard Limited (**Company**) will be held at **11.00am (AEST) on Tuesday, 18 August 2020 (Meeting)**.

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the *Corporations Act 2001* (Cth) (**Corporations Act**) under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, (Cth) the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend. Shareholders can listen and participate in the Meeting via the online platform by using:

- **Computer, by entering the following URL in your browser:** <https://web.lumiagm.com>
- **Mobile device, by entering the following URL in your browser:** <https://web.lumiagm.com> or by using the Lumi AGM app.

The meeting ID for the Meeting is: **344739254**

The **username** is your Boardroom internal S reference number (which can be located on the back of your Voting Form or on your Notice of Meeting email).

Your **password** is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third-party proxy, or for any enquiries relating to virtual participation, please contact the Company's share registry on 1300 737 760 (within Australia) and +61 9290 9600 (outside Australia).

Shareholders will be able to log in to the online platform from 10.00am (AEST) on the date of the Meeting.

Further information on how to participate virtually is set out in this Notice of Meeting and in the Online Voting User Guide available online at <https://www.thedocyard.co/investor-relations/>

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that shareholders are given as much notice as possible. Further information will be made available on the Company's website at <https://www.thedocyard.co/investor-relations/> or the ASX.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprise part of the Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on **Sunday 16 August 2020 at 7:00pm (AEST)**.

Terms and abbreviations used in the Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

BUSINESS OF THE MEETING

1. Resolution 1 – Ratification of issue of Consideration Shares

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

"That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of the Consideration Shares to the LockBox Vendors on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue of the Consideration Shares or any associates of those persons.

However, this does not apply to a vote cast in favour of this 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 this way;
- (a) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (b) 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 associated of a person excluded from voting on this Resolution; and
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Ratification of grant of Consideration Options

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

"That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior grant of the Consideration Options to the LockBox Vendors on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the grant of the Consideration Options or any associates of those persons.

However, this does not apply to a vote cast in favour of this 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 this way;
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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 associated of a person excluded from voting on this Resolution; and
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Approval of Grant of Top Up Options

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the grant of the Top Up Options under the Share Sale Agreements on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue and grant of the Consideration Securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates.

However, the Company will not disregard a vote in favour of this Resolution if:

- (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 this way;
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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 associated of a person excluded from voting on this Resolution; and

- (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Approval of Placement

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,105,800 Placement Shares and grant of 3,052,900 Placement Options under the Placement on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue and grant of the securities under the Placement (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any of their associates.

However, the Company will not disregard a vote in favour of this Resolution if:

- (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 this way;
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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 associated of a person excluded from voting on this Resolution; and
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Ms Marika White
Company Secretary
Dated: 14 July 2020

THE DOCYARD LIMITED

ACN 602 586 407

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	LockBox Acquisition
Section 4:	Resolutions 1 and 2– Ratification of issue of Consideration Shares and grant of Consideration Options
Section 5:	Resolution 3 – Approval of grant of Top Up Options
Section 6:	Resolution 4 – Approval of Placement
Schedule 1:	Definitions and Interpretation
Schedule 2:	Terms and Conditions of Options

A Proxy Form is located at the end of this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;

- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company **no later than** 11:00am (AEST) on, Sunday 16 August 2020, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry **no later than** 11:00am (AEST) on 16 August 2020 (**Proxy Deadline**) at the address below or submitted electronically:

Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001

Level 12, 225 George Street, Sydney NSW 2000

Fax: +61 9290 9655

Lodge electronically by going online at:
<https://www.votingonline.com.au/thedocyardgm2020>

If you require an additional Proxy Form, contact the Company's share registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), who will supply it on request.

Shareholders are encouraged to submit their Voting Forms online. If you wish to post a Proxy Form, please be aware of current postal timeframes, including the possibly of delays due to COVID-19 regulations and reduced frequency of deliveries.

2.3 Eligibility to vote

In accordance with the Corporations Act and the Constitution, a person's entitlement to vote at the Meeting will be determined by reference to the number of Shares registered in the name of that person (reflected in the register of members) as at 7.00 pm (AEST) on Sunday 16 August 2020.

2.4 Participating and Voting Online During the Meeting

Due to COVID-19 restrictions on public gatherings and the temporary modifications to the *Corporations Act 2001* (Cth) (**Corporations Act**) under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, (Cth) the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend. Shareholders can listen and participate in the Meeting via the online platform by using:

- **Computer, by entering the following URL in your browser:**
<https://web.lumiagm.com>

- **Mobile device**, by entering the following URL in your browser: <https://web.lumiagm.com> or by using the Lumi AGM app.

The meeting ID for the Meeting is: **344739254**

The **username** is your Boardroom internal S reference number (which can be located on the back of your Voting Form or on your Notice of Meeting email).

Your **password** is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Voting User Guide.

If you have been nominated as a third-party proxy, or for any enquiries relating to virtual participation, please contact the Company's share registry on 1300 737 760 (within Australia) and +61 9290 9600 (outside Australia).

Shareholders will be able to log in to the online platform from 10.00am (AEST) on the date of the Meeting.

Participating in the Meeting online, enables shareholders to listen to the Meeting live, ask text-based questions and cast votes in the real time poll at the appropriate times during the Meeting.

Further information on how to participate virtually is set out in this Notice of Meeting and in the Online Voting User Guide available online at <https://www.thedocyard.co/investor-relations/>

Shareholders are also strongly encouraged to lodge their Proxy Forms before the Proxy Deadline even if they are participating in the Meeting online. If you do not intend, or are unable to participate in, the Meeting online, please lodge your Proxy Forms before the Proxy Deadline.

3. LockBox Acquisition

3.1 Background

As announced on ASX on 6 July 2020, the Company has acquired 100% of the share capital of LockBox Technologies Pty Ltd ACN 621 048 431 (**LockBox**) pursuant to share sale agreements with each of the LockBox Vendors (**Share Sale Agreements**).

LockBox is a privately held Australian incorporated company which operates a secure end to end encrypted file transfer and storage technology, built upon proven cloud services which employ a sophisticated, patent pending security solution.

To date, LockBox has delivered two complimentary products:

- (a) **Athena Board** - a direct to consumer secure digital governance document creation and consumption solution for all documentation relating to the operation of boards of directors. It is regarded as the most fully featured, secure board portal solution in the market allowing the secure distribution, introductory interaction with and maintenance of sensitive corporate information for board members; and
- (b) **Lockbox Storage** – a B2B secure document storage and sharing solution customers and integrate into their digital offerings.

3.2 Rationale for the Acquisition

The Board considers that the acquisition of LockBox and the intellectual property in its products to be beneficial and complementary to the Company's existing operations and future prospects.

The Company aims to accelerate its growth strategy through access to LockBox's intellectual property and know-how relating to Athena Board and LockBox Storage and other products and concepts which are currently in early developmental trials and evaluations.

LockBox's suite of current products add to the Company's current deal room platform offering, allowing the Company to expand its product range and market reach globally.

The acquisition of LockBox also further enables the Company to expand its research and development of additional product lines.

3.3 Material terms of the Share Sale Agreements

In consideration for the acquisition of LockBox, the Company issued to the LockBox Vendors (and/or their nominees) at completion and in aggregate:

- (a) 11,968,165 Shares (**Consideration Shares**); and
- (b) 7,943,135 Options (**Consideration Options**).

(together, the **Consideration Securities**).

The Share Sale Agreements provide that 15,000,000 Options shall be granted to a number of the LockBox Vendors subject to the Company's capacity to issue Equity Securities under Listing Rule 7.1. Because the Company determined that it could not issue more than 7,943,135 Options on completion of the Share Sale Agreements due to the Company's capacity under Listing Rule 7.1, the Company is obliged to seek shareholder approval for the issue of the balance of the 15,000,000 Options, comprising 7,056,865 Options (**Top Up Options**).

The Share Sale Agreements also contain other standard clauses customary to an agreement of this nature, including representations, warranties and covenants given by each party, a completion accounts purchase price adjustment mechanism and a covenant not to compete with the LockBox enterprise given by the founder.

For the purposes of the Listing Rules, the identities of LockBox Vendors are not likely to be material to a decision by shareholders to ratify the issue of the Consideration Securities or the approval to grant the Top Up Options.

4. Resolutions 1 and 2 – Ratification of issue of Consideration Shares and grant of Consideration Options

4.1 General

At completion of the Share Sale Agreements, the Company issued the Consideration Securities to the LockBox Vendors in consideration for the entire share capital in LockBox. Each of the Consideration Securities are Equity Securities for the purposes of the ASX Listing Rules and were issued to the LockBox Vendors pursuant to Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number 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 (**15% Placement Capacity**) (other than any approvals required under the Corporations Act).

As the issue of the Consideration Securities does not fall within any of the exceptions under the ASX Listing Rules and has not yet been approved by Shareholders, it effectively falls within the 15% Placement Capacity in Listing Rule 7.1, thereby reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If shareholders approve the issue it is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule. Given the current market uncertainty that has arisen in light of COVID-19 pandemic, the Company wishes to retain flexibility to issue additional Equity Securities to raise funds quickly without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Consequently, the Company is asking Shareholders to ratify the issuance of the Consideration Securities.

Resolution 1 – ratification of issue of Consideration Shares

If Resolution 1 is passed, the Consideration Shares will be excluded when calculating the Company's 15% Placement Capacity as set out in 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 (other than any approvals required under the Corporations Act).

If Resolution 1 is not passed, the issue of the Consideration Shares will be included in calculating the Company's 15% Placement Capacity set out in 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.

Resolution 1 is an ordinary resolution.

Resolution 2 – ratification of grant of Consideration Options

If Resolution 2 is passed, the Consideration Options will be excluded when calculating the Company's 15% Placement Capacity as set out in 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 (other than any approvals required under the Corporations Act).

If Resolution 2 is not passed, the issue of the Consideration Options will be included in calculating the Company's 15% Placement Capacity set out in 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.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of each of Resolutions 1 and 2.

4.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) The Consideration Securities were issued to the LockBox Vendors on 8 July 2020.
- (b) The Consideration Securities were issued to the LockBox Vendors in consideration for the Company's acquisition of their LockBox Shares.
- (c) The Consideration Shares are fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Consideration Options were granted on the terms and conditions set out in Schedule 2.
- (d) A summary of the material terms of the agreements under which the Consideration Securities were issued is contained in Section 3.3.
- (e) A voting exclusion statement is included in the Notice for each of Resolution 1 and 2.

4.3 Director Recommendation

The Directors of the Company believe that each of Resolution 1 and 2 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of each Resolution.

5. Resolution 3 – Approval of Grant of Top Up Options

5.1 General

Resolution 3 seeks Shareholder approval for the grant of the Top Up Options in connection with the acquisition of LockBox pursuant to the Share Sale Agreements.

The LockBox Vendors are not Related Parties nor associates of the Company.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (or shorter period if the company has not been listed for the full 12 months).

The effect of passing Resolution 3 will be to allow the Company to grant the Top Up Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.3 Specific Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Top Up Options under the Share Sale Agreements:

- (a) The Top Up Options will be granted to a number of the LockBox Vendors.
- (b) The number of Top Up Options is 7,056,865.
- (c) On exercise, the Top Up Options will convert into fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The terms and conditions of the Top Up Options are contained in Schedule 2.
- (e) The Top Up Options will be granted as soon as practicable provided that the issue date is no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Top Up Options will be granted as the balance of the consideration for the acquisition by the Company of LockBox.
- (g) Section 3 contains a summary of the material terms of the Share Sale Agreements.
- (h) A voting exclusion statement is included in the Notice.

5.4 Director Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

6. Resolution 4 – Approval of Placement

6.1 General

Resolution 4 seeks Shareholder approval for:

- (a) the issue of 6,105,800 Shares (**Placement Shares**) each at an issue price of \$0.1671 per share (being the same issue price as each Consideration Share and as calculated according to a 10 day VWAP before the date of the announcement of the acquisition of LockBox) (**Placement**); and
- (b) the grant of 3,052,900 Placement Options (**Placement Options**) each having an exercise price of \$0.20 per option and an exercise period of 3 years from the date of grant. Further details are provided in Section 6.3.

Each subscriber under the Placement will be granted 1 Placement Option for every 2 Placement Shares they are issued and allotted.

None of the subscribers under the Placement are a Related Party or an associate of a Related Party of the Company.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (or shorter period if the company has not been listed for the full 12 months).

The effect of passing Resolution 4 will be to allow the Company to issue the Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.3 Specific Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) The Placement Shares will be issued, and the Placement Options will be granted to institutional and sophisticated investors who are not related parties or associates of related parties of the Company. These investors are a combination of existing institutional shareholders and parties introduced by Barclay Pearce Capital Pty Limited which also acted as the lead manager for the Company's IPO.
- (b) A maximum of 6,105,800 Placement Shares will be issued and 3,052,900 Placement Options will be granted under the Placement.
- (c) The Placement Shares will be issued, and the Placement Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The issue price of the Placement Shares will be \$0.1671 per share.
- (e) The Placement Shares will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) Each Placement Option will be granted on the same terms and conditions of each Option save and except that:
 - (i) the exercise price of the Placement Options will be \$0.20 per option;
 - (ii) the Placement Options have an exercise period of 3 years from the date of grant but are not subject to any vesting period; and
 - (iii) the Placement Options are transferable.
- (g) The Company intends to deploy the funds raised from the issue of the Placement Shares to pay for transactional costs associated with the acquisition of LockBox, the Placement, to provide expansion capital relating to the marketing activities

required for the enhanced product offering and for general working capital purposes.

- (h) A voting exclusion statement is included in the Notice.

6.4 Director Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Schedule 1 – Definitions and Interpretation

1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors from time to time.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Company means thedocyard Limited ACN 602 586 407.

Consideration Shares has the meaning given in Section 3.

Constitution means the constitution of the Company.

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

Director means any director of the Company and **Directors** means all of them.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Listing Rules means the official listing rules of the ASX (as amended from time to time).

LockBox has the meaning given in Section 3.

LockBox Vendors means the persons who held shares in LockBox prior to the completion of the Share Sale Agreements.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Official List means the official list of the ASX.

Option means an option to acquire a Share in accordance with the terms and conditions in Schedule 2.

Placement has the meaning given in Section 6.1.

Placement Options has the meaning given in Section 6.1.

Placement Shares has the meaning given in Section 6.1.

Proxy Deadline means 11.00am (AEST), Sunday 16 August 2020

Proxy Form means the proxy form attached to or which accompanies the Notice.

Related Party has the meaning given in Listing Rule 19.

Resolution means any resolution detailed in the Notice as the context requires.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Shares or Options issued by the Company.

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

Share Sale Agreement has the meaning given in Section 3.

Shareholder means a registered holder of a Share.

Top Up Options has the meaning given in Section 3.3.

2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a term not specifically defined has the meaning given to it (if any) in the Corporations Act;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (h) “**include**” and “**including**” are not words of limitation; and
- (i) “**\$**” is a reference to Australian currency.

Schedule 2 – Terms and Conditions of the Top Up Options

1. Entitlement

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

1. Exercise Price

The exercise price for each Option is equal to the issue price of a Consideration Share (**Exercise Price**).

2. Expiry Date

Each Option will expire 3 years from the date of issue (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Exercise Period

The Options are exercisable at any time between the period beginning on the first anniversary of their grant and ending on the Expiry Date (**Exercise Period**).

4. Notice of Exercise

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

5. Exercise Date

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

6. Timing of issue of the Shares on exercise

Within 15 Business Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (b) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as detailed in item 6(a) above,

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Options;
- (d) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

7. Shares issued on exercise

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

8. Quotation of the Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

9. Reconstruction of capital

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

10. Participation in new issues

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

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the Options held by the holder had been exercised before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13. Unquoted

The Company will not apply for quotation of the Options on ASX.

14. Transferability

The Options are non-transferable.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00 am (AEST) on Sunday 16 August 2020.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/thedocyardgm2020>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00 am on Sunday, 16 August 2020**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 🖥 **Online** <https://www.votingonline.com.au/thedocyardgm2020>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

Due to current social distancing regulations, attendance will not be permitted at the meeting. Please refer to the Notice of Meeting for information on participating in the virtual meeting.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

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

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held **virtually at <https://web.lumiagm.com/344739254> on Tuesday, 18 August, 2020 at 11:00 am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	Ratification of issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of grant of Consideration Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of grant of Top Up Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020