

19 January 2023

Dear Shareholder

### **Upcoming General Meeting of Shareholders**

The Company's General Meeting is scheduled to be held at the Conference Room, Quest Kings Park, 54 Kings Park Road, West Perth WA on Monday, 20 February 2023 at 10.00 am (AWST) (**Meeting**).

The Company **strongly encourages Shareholders to lodge a directed proxy form by Saturday, 18 February 2023 at 10.00 am (AWST)**. Shareholder questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare answers. Further details of how to participate are set out in the Notice of Meeting.

The Notice of Meeting can be viewed and downloaded from: <https://announcements.4dsmemory.com>.

Shareholders who have nominated an email address and have elected to receive electronic communications from the Company, will receive an email to their nominated email address with a link to an electronic copy of the important Meeting documents.

In accordance with sections 110C-110H and 110J-110K of the Corporations Act, as amended by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), no hard copy of the Notice of General Meeting and Explanatory Statement will be circulated, unless a shareholder has requested a hard copy.

If you are unable to access any of the important Meeting documents online or if you wish to receive a hard copy of the Meeting documents please contact our share registry, Automic, on 1300 288 664 (within Australia) or +612 9698 5414 or via email at [hello@automic.com.au](mailto:hello@automic.com.au).

### **Your right to elect to receive documents electronically or in hard copy**

4DS Memory will no longer send a hard copy of the meeting documents unless a shareholder requests a copy be mailed.

We encourage all shareholders to provide an email address so that we can send investor communications electronically when they become available online, which includes items such as meeting documents and annual reports.

Shareholders can still elect to receive some or all their communications in hard copy or electronic form or elect not to receive certain documents such as annual reports.

**To review your communications preferences or sign up to receive your shareholder communications via email, please update your communication preferences at <https://investor.automic.com.au/>.**

If you are a shareholder and would like a hard copy of a communication, need further information about the options available to you or have questions about your holding, visit <https://investor.automic.com.au/> or contact our share registry:

Telephone (within Australia): 1300 288 664

Telephone (outside Australia): +61 2 9698 5414

Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Website: <https://investor.automic.com.au/>

## Contact information

**Investors:** David McAuliffe  
4DS Memory  
+61 408 994 313  
[david@4dsmemory.com](mailto:david@4dsmemory.com)

## About 4DS

4DS Memory Limited (ASX: 4DS), with facilities located in Silicon Valley, is a semiconductor development company of non-volatile memory technology, pioneering Interface Switching ReRAM for next generation gigabyte storage in mobile and cloud. Established in 2007, 4DS owns a patented IP portfolio, comprising 33 USA patents granted and 1 patent application, which has been developed in-house to create high-density Storage Class Memory. 4DS has a joint development agreement with Western Digital subsidiary HGST, a global storage leader, which accelerates the evolution of 4DS' technology. 4DS also collaborates with imec, a world-leading research and innovation hub in nanoelectronics and digital technologies. The combination of imec's widely acclaimed leadership in microchip technology and profound software and information and communication technology expertise makes them unique.

For more information, please visit [www.4dsmemory.com](http://www.4dsmemory.com).

### Disclaimer

This release contains certain forward-looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of 4DS to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which 4DS will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. To the full extent permitted by law, 4DS and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this release (including, but not limited to, any assumptions or expectations set out in the release).

You should not place undue reliance on these forward- looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward- looking statements.

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**4DS MEMORY LIMITED**  
**ACN 145 590 110**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00 am WST  
**DATE:** 20 February 2023  
**PLACE:** Conference Room, Quest Kings Park  
54 Kings Park Road  
West Perth, WA 6000

***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 10.00 am WST on 18 February 2023.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ISSUE OF OPTIONS TO DIRECTOR - MR DAVID MCAULIFFE

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 10.11 and for all other purposes, approval is given for the Company to issue 6,000,000 Options to Mr David McAuliffe (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 2. RESOLUTION 2 – ISSUE OF OPTIONS TO DIRECTOR - MR HOWARD DIGBY

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 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Mr Howard Digby (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**Dated: 19 January 2023**

**By order of the Board**



**Mr Peter Webse**  
**Company Secretary**

## Voting Prohibition Statements

<p><b>Resolution 1 – Issue of Options to Director – Mr David McAuliffe</b></p>	<p>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"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(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.</li> </ul>
<p><b>Resolution 2 – Issue of Options to Director – Mr Howard Digby</b></p>	<p>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"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(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.</li> </ul>

## 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:

<p><b>Resolution 1 – Issue of Options to Director – Mr David McAuliffe</b></p>	<p>Mr David McAuliffe (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 an associate of that person or those persons.</p>
<p><b>Resolution 2 – Issue of Options to Director – Mr Howard Digby</b></p>	<p>Mr Howard Digby (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 an associate of that person or those persons.</p>

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

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

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

### **Voting by proxy**

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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**

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6377 8043.***

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## EXPLANATORY STATEMENT

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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.

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### 1. RESOLUTIONS 1 AND 2 – ISSUE OF OPTIONS TO DIRECTORS

#### 1.1 General

As announced to the Company's ASX platform (ASX:4DS) on 19 December 2022, the Company has agreed, subject to Shareholder approval, to issue Options to two Directors as follows:

- (a) Executive Director, Mr David McAuliffe (or his nominee), 6,000,000 Options (the subject of Resolution 1); and
- (b) Non-Executive Director, Mr Howard Digby (or his nominee), 1,000,000 Options (the subject of Resolution 2),

each with an exercise price of \$0.037 (being approximately a 12.1% premium to the closing price on 16 December 2022), expiring on or before the date that is 5 years from the date of issue (together, the **Director Options**).

#### 1.2 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.

The issue of Director Options to Messrs McAuliffe and Digby (or their respective nominees) constitutes giving a financial benefit and Messrs McAuliffe and Digby are each a related party of the Company by virtue of being a Director.

The non-interested Directors, comprising Drs. Wilbert van den Hoek and Dr. Guido Arnout who do not have a material personal interest in Resolutions 1 and 2 consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Director Options because the agreement to issue the Director Options, reached as part of the remuneration package for Messrs McAuliffe and Digby, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

#### 1.3 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 issues of Director Options 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 1 and 2 seek the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

#### **1.4 Technical information required by Listing Rule 14.1A**

If Resolutions 1 and 2 are passed, the Company will be able to proceed with the issue of the Director Options to Messrs McAuliffe and Digby within one 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 Director Options (because approval is being obtained under Listing Rule 10.11), the issue of the Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the issue of the Director Options. In such circumstances, the Company will seek to determine alternative incentive arrangements for Messrs McAuliffe and Digby which as closely as possible align with the intention of the proposed issue of the Director Options.

Resolutions 1 and 2 are not interdependent on each other. As such, if Resolution 1 is passed but Resolution 2 is not passed, the Company will be able to proceed with the issue of the Director Options to Mr McAuliffe. Similarly, if Resolution 2 is passed but Resolution 1 is not passed, the Company will be able to proceed with the issue of the Director Options to Mr Digby.

#### **1.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Director Options will be issued to Messrs McAuliffe and Digby (or their respective nominees), who fall within the category set out in Listing Rule 10.11.1 as Messrs McAuliffe and Digby are each a related party of the Company by virtue of being a Director;
- (b) the maximum number of Director Options to be issued is 7,000,000, comprising:
  - (i) 6,000,000 Director Options to Mr McAuliffe (the subject of Resolution 1); and



- (ii) 1,000,000 Director Options to Mr Digby (the subject of Resolution 2);
- (c) the terms and conditions of the Director Options are set out in Schedule 1.
- (d) the Director Options 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 Director Options will occur on the same date;
- (e) the issue price of the Director Options will be nil. The Company will not receive any other consideration in respect of the issue of the Director Options (other than in respect of funds received on exercise of the Director Options);
- (f) the purpose of the issue of the Director Options is to provide a performance linked incentive component in the remuneration package for Messrs McAuliffe and Digby, to motivate and reward their performance as Directors and to provide cost effective remuneration to Messrs McAuliffe and Digby, enabling 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 Messrs McAuliffe and Digby;
- (g) the current total remuneration package for Mr McAuliffe is \$221,000 comprising of a \$200,000 director's fee and a superannuation payment of \$21,000. If the Director Options are issued to Mr McAuliffe, the current total remuneration package of Mr McAuliffe for the financial year ended 30 June 2023 will increase by \$92,951 to \$313,951, being the value of the Director Options (based on the Black Scholes methodology);
- (h) the current total remuneration package for Mr Digby is \$30,000 comprising of a \$30,000 director's fee. If the Director Options are issued to Mr Digby, the current total remuneration package of Mr Digby for the financial year ending 30 June 2023 will increase by \$15,492 to \$45,492, being the value of the Director Options (based on the Black Scholes methodology). For further information with respect to the total valuation of the Director Options, please refer to Schedule 2;
- (i) the Director Options are not being issued under an agreement; and
- (j) voting exclusion statements are included in Resolutions 1 and 2 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

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

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

**Company** means 4DS Memory Limited (ACN 145 590 110).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Director Options** has the meaning given to it in Section 1.1.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

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

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

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

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

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder (**Optionholder**) to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.037, being a 12.1% premium to the closing price of Shares on 16 December 2022 (**Exercise Price**).

(c) **Vesting Conditions**

The Options will vest on the following dates (each a **Vesting Date**):

- (i) 25% of the Options: the date which is six months from date of issue (**Initial Tranche Date**);
- (ii) the balance of the Options will vest incrementally in equal lots each quarter for the subsequent ten quarters after the first six months (i.e. from the Initial Tranche Date).

(d) **Expiry Date**

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

(e) **Exercise Period**

The Options are exercisable at any time after the relevant Vesting Date and on or before the Expiry Date (**Exercise Period**).

(f) **Acceleration**

If, in the opinion of the Board:

- (i) the Company enters into a scheme of arrangement with its members or any class thereof pursuant to section 411 of the Corporations Act;
- (ii) a Takeover Period (given the meaning set out below) commences;
- (iii) a person or a group of associated persons having a relevant interest in, subsequent to the grant of the Options, sufficient Shares to give it or them the ability in general meeting to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons;
- (iv) any person or corporation having a relevant interest in not less than 90% of the Shares of the Company issues a notice of meeting convening a meeting of shareholders in order to enter into a scheme of arrangement (pursuant to the provisions of the Corporations Act) which, if implemented would result in a person or corporation having a relevant interest in not less than 90% of the Shares, the Options will be free of any conditions and/or vesting and may be exercised at any time before they expire; or

- (v) the Board forms the view (acting reasonably) that one of the events set out in (i) – (iv) is likely to occur,

then the Board may declare an Option free of any conditions of vesting and exercise.

Options which are so declared free of any restrictions on vesting and exercise may be exercised at any time before the Expiry Date.

For the purposes of this item, a **Takeover Period** means in relation to a takeover bid in respect of Shares, the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the takeover period shall be deemed to have commenced at the time of that announcement.

(g) **Termination**

All unvested Options will expire upon the optionholder ceasing to be engaged by the Company for any reason whatsoever, unless the Board makes a determination (in its absolute discretion) that:

- (i) the performance of the optionholder during the term; and
- (ii) the circumstances in which the optionholder ceases to be engaged by the Company,

are such that all unvested Options on the date of termination will continue to vest according to the Vesting Dates above and only expire on the Expiry Date.

(h) **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 Exercise Price for each Option being exercised in Australian currency by electric funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of a Option received by the Company will be deemed to be effective notice of the exercise of that Option on and from the date of receipt of the Notice of Exercise and the receipt of the full amount of the Exercise Price for each Option exercised in cleared funds (**Exercise Date**).

The Options may only be exercised in multiples of 1,000 on each occasion.

(i) **Shares issued on exercise**

Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

(j) **Quotation of Shares on ASX**

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options.

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

After the Exercise Date, the Company must, within 5 business days:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

If a notice delivered under (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) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

(m) **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):

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

(n) **Adjustment for entitlement issue**

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

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

O = the old Exercise Price of the Option.

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

P = volume weighted average market price per Share calculated over 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 Share.

(o) **Adjustments for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the ASX Listing Rules which apply to a reorganisation at the time of the reorganisation.

(p) **Options not quoted**

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

(q) **Options transferable**

The Options are transferable by the holder subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws and provided that the transferee agrees with the holder and the Company to be bound to these terms and conditions prior to the transfer.

(r) **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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## SCHEDULE 2 – DIRECTOR OPTION VALUATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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The Director Options to be issued to Mr McAuliffe and Mr Digby pursuant to Resolutions 1 and 2 respectively have been valued by internal management.

Using the Black-Scholes option pricing model and based on the assumptions set out below, the Director Options to be issued to Mr McAuliffe and Mr Digby were ascribed the following value range for the financial year ended 30 June 2023.

<b>Assumptions:</b>	
Valuation date	9 January 2023
Market price of Shares	\$0.044
Exercise price	\$0.037
Expiry date (length of time from issue)	5 years from date of issue
Risk free interest rate	3.266%
Volatility	95%
<b>Indicative value per Director Option</b>	<b>\$0.0334</b>
<b>Total value of Director Options for the financial year ended 30 June 2023</b>	<b>\$233,538</b>
Mr McAuliffe (Resolution 1)	\$200,175
Mr Digby (Resolution 2)	\$33,363

**Note:** The valuation ranges noted above are not necessarily the market prices that the Director Options to be issued to Mr McAuliffe and Mr Digby could be traded at and they are not automatically the market prices for taxation purpose.





4DS Memory Limited | ABN 43 145 590 110

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 18 February 2023**, 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

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>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBSITE:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

