
NOTICE OF ANNUAL GENERAL MEETING

The following documents were sent to shareholders today in relation to the Annual General Meeting of Carly Holdings Limited (ASX:CL8) (**Carly** or the **Company**) to be held on Thursday, 18 November 2021 at 3:30 pm (AEDT):

1. Notice of Meeting (including Explanatory Memorandum)
2. Proxy Form
3. Letter to Shareholders (who have not elected to receive notices by email).

In accordance with the *Treasury Laws Amendment (2021 Measures No 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. The Notice of Meeting and Annual Report can be viewed and downloaded from the Company's website at <https://investors.carly.co/investor-relations/asx-announcements/>. Shareholders will be able to submit their proxy vote online or by form in accordance with the instructions on the Proxy Form.

The Company will hold a physical meeting with appropriate social distancing measures in place to comply with Federal and State Government restrictions on public gatherings. Should either Federal or State Government guidance provide that a physical meeting is inadvisable or not to be held, the Company will advise Shareholders prior to the date of the meeting via ASX announcement.

This announcement was authorised to be given to ASX by the Board of Directors of Carly Holdings Limited.

Authorised by:

Chris Noone
CEO and Director
Carly Holdings Limited

For more information please contact:

Chris Noone
CEO and Director
Carly Holdings Limited
E: shareholder@carly.co

About Carly Holdings Limited

Carly Holdings Limited (ASX:CL8) investors.carly.co/ is listed on the Australian Securities Exchange. It is Australia's leading listed company focused on providing innovative mobility solutions for consumers and the automotive industry. Carly Holdings operates www.DriveMyCar.com.au Australia's leading peer-to-peer car rental business, and www.Carly.co, Australia's first flexible car subscription service.





CARLY HOLDINGS LIMITED

ABN 60 066 153 982

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday, 18 November 2021

Time of Meeting

3:30 pm (AEDT)

Place of Meeting

Suite 3, Level 7,
189 Kent Street, Sydney NSW 2000

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.

Should you have any questions regarding the matters in this document please do not hesitate to contact the Company Secretary via email at shareholder@carly.co.



NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Carly Holdings Limited (**Company** or **Carly**) is to be held on Thursday, 18 November 2021 at Suite 3, Level 7, 189 Kent Street, Sydney NSW 2000, commencing at 3:30 pm (AEDT).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Financial and Other Reports – Year Ended 30 June 2021 (no resolution required)

To receive and consider the Financial Report, the declaration of Directors, the Remuneration Report and the Directors' Report and of the Auditor for the year ended 30 June 2021.

Resolution 1 – Non-Binding Resolution to Adopt 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2021.”

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (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.

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:

- (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:
 - (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 2 – Re-election of Director – Ms Michelle Vanzella

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

“That Ms Michelle Vanzella, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company’s Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering herself for re-election, be re-elected as a director of the Company.”

Resolution 3 – Re-election of Director – Mr Stephen Abolakian

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

“That Mr Stephen Abolakian, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company’s Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company.”

Resolution 4 – Ratification of Prior Issue of Shares and Options under Listing Rule 7.1 - Tranche 1 Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 106,302 Placement Shares and 3,333,333 Placement Options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the recipients of the Tranche 1 Placement Securities) or any associates of those persons.

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

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

Resolution 5 – Ratification of Prior Issue of Shares under Listing Rule 7.1A - Tranche 1 Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,893,698 Placement Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the recipients of the Tranche 1 Placement Securities) or any associates of those persons.

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

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

Resolution 6 – Ratification of Prior Issue of Options to Mahe Capital pursuant to Lead Manager Mandate

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,096,057 Options to a nominee of Mahe Capital Pty Ltd under the Lead Manager Mandate on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the nominee of Mahe Capital Pty Ltd) or any associates of that person (or those persons).

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

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

Resolution 7 – Approval to issue Shares and Options to Willoughby Capital – Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 4,617,200 Placement Shares and 1,539,066 Placement Options to Willoughby Capital Pty Ltd as trustee for The Willoughby Capital Trust on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Willoughby Capital Pty Ltd as trustee for The Willoughby Capital Trust 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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Approval to issue Shares and Options to SG Fleet Management – Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,567,925 Placement Shares and 1,189,308 Placement Options to SG Fleet Management Pty Limited on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of SG Fleet Management Pty Limited 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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Approval to issue Options to Mahe Capital pursuant to Lead Manager Mandate

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

"That, for purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 327,405 Options to Mahe Capital Pty Ltd under the Lead Manager Mandate on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the 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 (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the nominee of Mahe Capital Pty Ltd) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or



- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 10 – Approval of Issue of Tranche A Executive Options to Director – Mr Chris Noone

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,250,000 Tranche A Executive Options to Mr Chris Noone (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chris Noone (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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member.
- (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.

Resolution 11 – Approval of Issue of Tranche B Executive Options to Director – Mr Chris Noone

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,250,000 Tranche B Executive Options to Mr Chris Noone (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chris Noone (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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member.
- (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.

Resolution 12 – Approval of Issue of Tranche C Executive Options to Director – Mr Chris Noone

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,250,000 Tranche C Executive Options to Mr Chris Noone (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chris Noone (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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member.
- (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.

Resolution 13 – Approval of Issue of Tranche D Executive Options to Director – Mr Chris Noone

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,250,000 Tranche D Executive Options to Mr Chris Noone (a Director) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chris Noone (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 entity) 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 person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- 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 14 – Approval of selective buy-back of 800,000 Collateral Shares

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

“That, for the purposes of section 257D of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy-back and cancel 800,000 Shares held by Acuity Capital Investment Management Pty Ltd for nil consideration and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by Acuity Capital Investment Management Pty Ltd or any of its associates.

Resolution 15 – Renewal of Partial Takeover Plebiscite Clause in the Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by reinstating clause 35 for a period of 3 years from the date of approval of this Resolution.”

Resolution 16 – Adoption of Employee Incentive Option 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 “Carly Holdings Limited Employee Incentive Option Plan” and for the issue of up to 8,000,000 Options under that Employee Incentive Option Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

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

- a person who is eligible to participate in the employee incentive scheme; and
- any associates of that person or those persons,
(Resolution 15 Excluded Party).

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

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

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

- that person is either:
 - a member of the Key Management Personnel; or



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

However provided the Chair is not a Resolution 15 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 17 – Approval of 7.1A Mandate

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

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

EXPLANATORY MEMORANDUM

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 7:00 pm (AEDT) on Tuesday, 16 November 2021 will be entitled to attend and vote at the Annual General Meeting.

VOTING BY PROXY

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 3:30 pm (AEDT) on Tuesday, 16 November 2021.

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

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

Shareholders are currently expected to be able to attend the Meeting in person whilst following COVID-19 safe practices at the Meeting. Shareholders are encouraged to allow additional time for these COVID-19 safe practices. Whilst Shareholders are expected to be able to attend in person, circumstances relating to the COVID-19 pandemic can change rapidly and the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

The Company will continue to monitor Federal and State Government restrictions on public gatherings and should either Federal or State Government guidance provide that a physical meeting is inadvisable or not to be held, the Company will advise Shareholders prior to the date of the Meeting via ASX announcement.



You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Automatic Registry Services or the Company will need to verify your identity. You can register from 3:00 pm (AEDT) on the day of the Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

ATTORNEYS

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 3:30 pm (AEDT) on Tuesday, 16 November 2021. Previously lodged powers of attorney will be disregarded by the Company.

QUESTIONS

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting by email to the Company Secretary at shareholder@carly.co.

**DATED THIS 19TH OF OCTOBER 2021
BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Karen Logan', is written over a horizontal line.

Karen Logan
Company Secretary



EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Carly Holdings Limited (**Company** or **Carly**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Financial Statements and Report

Under the Corporations Act, the directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for Collaborate for the year ended 30 June 2021 (**Annual Report**) at the Meeting. These reports, together with the declaration of Directors, are set out in the Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the Annual Report by post.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the Annual Report is available from the Company's website: <https://investors.carly.co/wp-content/uploads/2021/08/CL8-Annual-Report-FY21.pdf>.

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. Resolution 1 – Adoption of Remuneration Report

1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Carly and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

1.2 Voting consequences

Under the Corporations Act, 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 most recent 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.

1.4 Voting Intention

The Chair of the meeting intends to vote all available proxies in favour of the Resolution.

2. Resolution 2 – Re-election of Director – Ms Michelle Vanzella

2.1 General

ASX Listing Rule 14.4 and clause 13.2 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.

Ms Vanzella, who has served as a director since 1 September 2018 and was last re-elected at the Company's 2019 Annual General Meeting held on 21 November 2019 retires by rotation in accordance with Clause 13.2 of Company's Constitution and Listing Rule 14.4 and, being eligible, offers herself for re-election.

2.2 Qualifications and other material directorships

Ms Vanzella has an extensive combination of customer, marketing, digital, data and commercial legal skills built up across multiple industries including technology, retail, property and financial services. Ms Vanzella practised Corporate & Commercial Law at Allens and has held senior executive positions with iconic Australian brands including Westfield, Suncorp and AAMI. She was previously an independent non-executive director of Canteen Australia. She is currently a non-executive director at Hunter Water and sits on the Investment Committee and Chairs the Sustainability Committee. Ms Vanzella has a Bachelor of Law (Hons) & Economics and an MBA from AGSM and is a Graduate of the AICD.

2.3 Independence

If re-elected the Board considers Ms Vanzella will be an independent director.

2.4 Board Recommendation

The Board has reviewed Ms Vanzella's performance since her appointment to the Board and considers that Mr Vanzella's skills and experience will continue to enhance the Board's ability to perform its role. The Board (other than Mr Vanzella) recommends Shareholders vote in favour of the Resolution.

2.5 Voting Intention

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

3. Resolution 3 – Re-election of Director – Mr Stephen Abolakian

3.1 General

Mr Abolakian, who has served as a director since 14 February 2019 and was last re-elected at the Company's 2019 Annual General Meeting held on 21 November 2019 retires by rotation in accordance with Clause 13.2 of Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election.

A summary of Listing Rule 14.4 and Clause 13.2 of the Constitution is set out in Section 2.1 above.

3.2 Qualifications and other material directorships

Mr Abolakian is an accomplished executive with experience across property development, finance, capital raising, operations and human resources. In 2012 Mr Abolakian was appointed Managing Director of Hyecorp Property Group, a diversified Australian property group with three key operating divisions – property development, construction and funds management. Hyecorp grew from initial roots in the automotive repair and accident replacement industry. Hyecorp is associated with the Willoughby Capital Trust, the largest shareholder of Carly Holdings Limited. Mr Abolakian graduated from Sydney University with a Bachelor of Economics and holds a Diploma of Financial Markets from FINSIA.

3.3 Independence

The Board has considered Mr Abolakian's independence and considers that he is not an independent director by virtue of the fact that Mr Abolakian is a potential beneficiary of the Willoughby Capital Trust, the largest shareholder of the Company with voting power of 23.06%.

3.4 Board Recommendation

The Board has reviewed Mr Abolakian's performance since his appointment to the Board and considers that Mr Abolakian's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Abolakian) recommends Shareholders vote in favour of the Resolution.

3.5 Voting Intention

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

4. Resolutions 4 and 5 – Ratification of Prior Issue of Shares and Options under Listing Rules 7.1 and 7.1A - Tranche 1 Placement

4.1 General

On 12 May 2021, the Company announced that it had agreed to undertake a placement to institutional, sophisticated and professional investors, of 18,185,125 Shares at an issue price of \$0.08 per Share (**Placement Shares**) together with 6,061,707 free-attaching Options (on the basis of one (1) Option for every three (3) Placement Shares subscribed for and issued) (**Placement Options**) (together, the **Placement Securities**) raising \$1,454,810 before costs (**Placement**), of which:

- 106,302 Placement Shares and 3,333,333 Placement Options were issued on 14 May 2021 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is being sought under Resolution 4);
- 9,893,698 Placement Shares were issued on 14 May 2021 pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 19 November 2020 under Listing Rule 7.1A (ratification of which is being sought under Resolution 5),
(together, **Tranche 1 Placement Securities**); and
- 8,185,125 Placement Shares and 2,728,374 Placement Options will be issued upon receipt of all necessary regulatory and shareholder approvals (approval of which is being sought under Resolutions 7 and 8) (**Tranche 2 Placement Securities**).

Subject to receipt of all necessary regulatory and shareholder approvals the major shareholders of the Company, Willoughby Capital Pty Ltd as trustee for the Willoughby Capital Trust (**Willoughby Capital**) and SG Fleet Management Pty Limited (**SG Fleet**), agreed to subscribe for Tranche 2 Placement Securities.

The Company engaged the services of Mahe Capital Pty Ltd (ACN 634 087 84) (AFSL 517 246) (**Mahe Capital**) to act as lead manager and corporate advisor to the Placement. The Company agreed to pay Mahe Capital a fee of \$72,741 (being, 5% of the amount raised under the Placement) and one (1) Option for every \$2.00 raised under the Placement in consideration for lead manager services provided. A summary of the material terms of the Mahe Capital Lead Manager Mandate are detailed in Schedule 2.

The Placement Options are quoted under ASX code CL8OB and have an exercise price of \$0.16 per Option and an expiry date of 31 May 2023. The terms and conditions of the Placement Options are detailed in Schedule 1.

4.2 ASX Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, 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 the period.



Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 19 November 2020. The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 17 being passed at this Meeting.

The issue of Tranche 1 Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, 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 of the Tranche 1 Placement Securities.

4.3 ASX Listing Rule 7.4

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be 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.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Securities.

Resolutions 4 and 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of Tranche 1 Placement Securities.

4.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Placement Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Tranche 1 Placement Securities.

If Resolutions 4 and 5 are not passed, the Placement Securities will be included in calculating the Company's 15% limit 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 of the Tranche 1 Placement Securities.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 17 being passed at this Meeting.

4.5 Technical information required by ASX Listing Rule 7.5

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Tranche 1 Placement Securities were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) the Tranche 1 Placement Securities were issued as follows:
 - (i) 106,302 Placement Shares and 3,333,333 Placement Options pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is being sought under Resolution 4); and
 - (ii) 9,893,698 Placement Shares pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 19 November 2020 under Listing Rule 7.1A (ratification of which is being sought under Resolution 5);
- (c) the issue price per Placement Share was \$0.08 and the issue price of the Options was nil as they were issued free attaching with the Shares on the basis of one (1) Option for every three (3) Placement Shares subscribed for and issued. The Company has not and will not receive any other consideration for the issue of the Placement Securities (other than in respect of funds received on exercise of the Placement Options);
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) the Placement Options issued to participants in the Placement were issued on the terms and conditions set out in Schedule 1;
- (f) the Tranche 1 Placement Securities were issued on 14 May 2021;

- (g) the Tranche 1 Placement Securities were issued to institutional, sophisticated and professional investors who were identified and selected by Mahe Capital acting as lead manager and corporate advisor to the Placement. None of the subscribers were related parties of the Company;
- (h) the purpose of the issue of the Tranche 1 Placement Securities was to raise a total of \$800,000 before costs, which will be applied towards growth in the supply of vehicles available for subscription, demand generation and to cover costs of the issue and for working capital and general corporate purposes;
- (i) the Tranche 1 Placement Securities were not issued under an agreement; and
- (j) a voting exclusion statement has been included for the Resolutions.

4.6 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolutions.

4.7 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolutions.

5. Resolution 6 – Ratification of Prior Issue of Options to Mahe Capital pursuant to Lead Manager Mandate

5.1 General

As noted in Section 4.1 above, the Company engaged the services of Mahe Capital to act as lead manager and corporate advisor to the Placement and the rights issue offer announced to ASX on 15 April 2021 (**Rights Issue**). On 14 May 2021, the Company issued 2,096,057 Options to a nominee of Mahe Capital under the Lead Manager Mandate, being one (1) Option for every \$2.00 raised under Tranche 1 of the Placement and the Rights Issue Placement in consideration for lead manager services provided (**Lead Manager Options**).

5.2 Material Terms of the Lead Manager Mandate

Refer to Schedule 2 for the material terms and conditions of the Lead Manager Mandate.

5.3 ASX Listing Rule 7.1

As summarised in Section 4.2 above, 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.

The issue of the Lead Manager Options does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, 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 of the Lead Manager Options.

5.4 ASX Listing Rule 7.4

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be 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.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Options.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Options.

5.5 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Lead Manager Options will be excluded in calculating the Company's 15% limit 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 of the Lead Manager Options.

If Resolution 4 is not passed, the Lead Manager Options will be included in calculating the Company's 15% limit 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 of the Lead Manager Options.

5.6 Technical information required by ASX Listing Rule 7.5

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) a total of 2,096,057 Options were issued to Mr Michael Soucik and Mrs Heather Soucik as trustees for the HMS Superannuation Fund Account under the placement capacity available to the Company under Listing Rule 7.1;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient was not:
 - (i) a related party of the Company, member of the Company's Key Management Personnel or substantial holder of the Company; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the Lead Manager Options were issued at a nil issue price, in consideration for services provided by Mahe Capital under the Lead Manager Mandate. The Company has and will not receive any other consideration for the issue of the Lead Manager Options (other than in respect of funds received on exercise of the Lead Manager Options);
- (d) the terms and conditions of the Lead Manager Options are set out in Schedule 1;
- (e) the Options were issued to Mr Michael Soucik and Mrs Heather Soucik as trustees for the HMS Superannuation Fund Account, a nominee of Mahe Capital;
- (f) the Options were issued pursuant to the terms of the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Schedule 2;
- (g) the purpose of the issue of the Lead Manager Options was to satisfy the Company's obligations under the Lead Manager Mandate;
- (h) a voting exclusion statement has been included for the Resolution.

5.7 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

5.8 Voting Intention

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

6. Resolutions 7 and 8 – Approval to issue Shares and Options to Willoughby Capital and SG Fleet – Tranche 2 Placement

6.1 General

As noted in Section 4.1 above, subject to receipt of all necessary regulatory and shareholder approvals the major shareholders of the Company, Willoughby Capital Pty Ltd as trustee for the Willoughby Capital Trust (**Willoughby Capital**) and SG Fleet Management Pty Limited (**SG Fleet**), agreed to subscribe for Tranche 2 Placement Securities under the Placement. Further details of the Placement are set out in Section 4.1.

6.2 Material Terms of the Subscription Agreements

On 13 May 2021, the Company entered into subscription agreements with Willoughby Capital and SG Fleet in respect of the Tranche 2 Placement Securities (**Subscription Agreements**).

Under the terms of the Subscription Agreements, subject to receipt of all necessary regulatory and shareholder approvals, the Placement Shares will be issued at an issue price of \$0.08 per Share together with free-attaching Options (on the basis of one (1) Option for every three (3) Placement Shares subscribed for and issued) raising a total of \$654,810 before costs, as follows:

- 4,617,200 Placement Shares and 1,539,066 Placement Options to Willoughby Capital raising \$369,376 (approval of which is being sought under Resolution 7); and
- 3,567,925 Placement Shares and 1,189,308 Placement Options to SG Fleet raising \$285,434 (approval of which is being sought under Resolution 8).

The Subscription Agreements contain provision considered standard for agreement of their nature (including representations and warranties and confidentiality provisions).

6.3 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 the Tranche 2 Placement Securities to Willoughby Capital would constitute the giving of a financial benefit and Mr Abolakian is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Abolakian who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 7 because the Shares will be issued to Willoughby Capital are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

6.4 ASX 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 Tranche 2 Placement Securities to Willoughby Capital falls within Listing Rule 10.11.1 and to SG Fleet falls within 10.11.3 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 7 and 8 seeks the required Shareholder approval for the issue of the Tranche 2 Placement Securities under and for the purposes of Listing Rule 10.11.

6.5 Technical information required by Listing Rule 14.1A

If Resolutions 7 and 8 are passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Securities to Willoughby Capital and SG Fleet 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 Tranche 2 Placement Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Tranche 2 Placement Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 and 8 are not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Securities and the Company will not raise \$654,810 in cash.

6.6 Technical information required by ASX Listing Rule 10.13

Pursuant to, and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 7 and 8:

- (a) the Tranche 2 Placement Securities will be issued to:
 - (i) Willoughby Capital, which falls within the category set out in Listing Rule 10.11.1 by virtue of the fact that Mr Stephen Abolakian, a director of the Company, is a potential beneficiary of the Willoughby Capital Trust; and
 - (ii) SG Fleet, which falls within the category set out in Listing Rule 10.11.3 by virtue of the fact that it is a substantial holder and nominated Mr Robbie Blau, an existing director, to the board of the Company;
- (b) the Tranche 2 Placement Securities will be issued as follows:
 - (i) 4,617,200 Placement Shares and 1,539,066 Placement Options to Willoughby Capital raising \$369,376 (approval of which is being sought under Resolution 7); and
 - (ii) 3,567,925 Placement Shares and 1,189,308 Placement Options to SG Fleet raising \$285,434 (approval of which is being sought under Resolution 8);

- (c) the issue price per Placement Share is \$0.08 and the issue price of the Options is nil as they will be issued free attaching with the Shares on the basis of one (1) Option for every three (3) Placement Shares subscribed for and issued. The Company will raise a total of \$654,810 but will not receive any other consideration for the issue of the Placement Securities (other than in respect of funds received on exercise of the Placement Options);
- (d) the Placement Shares will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) the Placement Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the Tranche 2 Placement Securities 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 securities will occur on the same date;
- (g) the purpose of the issue of the Tranche 2 Placement Securities is to raise a total of \$654,810 before costs, which will be applied towards growth in the supply of vehicles available for subscription, demand generation and to cover costs of the issue and for working capital and general corporate purposes;
- (h) the Tranche 2 Placement Securities were issued under Subscription Agreements. A summary of the material terms of the Subscription Agreements is set out in Section 6.2 above.

6.7 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

6.8 Voting Intention

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

7. Resolution 9 – Approval to issue Options to Mahe Capital pursuant to Lead Manager Mandate

7.1 General

The Company has agreed to issue 327,405 Options to a nominee of Mahe Capital under the Lead Manager Mandate, being one (1) Option for every \$2.00 raised under Tranche 2 of the Placement in consideration for lead manager services provided (**Lead Manager Options**). The issue of Tranche 2 Securities is the subject of Resolutions 7 and 8.

7.2 Material Terms of the Lead Manager Mandate

Refer to Schedule 2 for the material terms and conditions of the Lead Manager Mandate.

7.3 ASX Listing Rule 7.1

As summarised in Section 4.2 above, 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.

The issue of the Lead Manager Options does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, 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 of the Lead Manager Options.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options 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.

If Resolution 9 is not passed, the Company be able to proceed with the issue of the Lead Manager Options. If Resolution 9 is not passed the issue of the Lead Manager Options will be included from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

7.5 Technical information required by ASX Listing Rule 7.1

Pursuant to, and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the Lead Manager Options will be issued to Mr Michael Soucik and Mrs Heather Soucik as trustees for the HMS Superannuation Fund Account;
- (b) the maximum number of Lead Manager Options to be issued is 327,405;
- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - a. related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - b. issued more than 1% of the issued capital of the Company;
- (d) the Lead Manager Options will be issued at a nil issue price, in consideration for lead manager services provided by Mahe Capital in relation to Tranche 2 of the Placement the subject of Resolutions 7 and 8;
- (e) the terms and conditions of the Lead Manager Options are set out in Schedule 1;
- (f) the Lead Manager Options will be issued 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) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (g) the Lead Manager Options will be issued pursuant to the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Schedule 2;
- (h) the purpose of the issue of the Lead Manager Options was to satisfy the Company's obligations under the Lead Manager Mandate;
- (i) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement has been included for the Resolution.

8. Resolutions 10, 11, 12 and 13 – Approval of issue of Executive Options to Director – Chris Noone

8.1 General

The Company is seeking Shareholder approval to issue a total of 5,000,000 Executive Options to Mr Noone, CEO and Executive Director, as a long-term incentive under the terms of his executive services agreement dated 7 August 2014.

The following information is provided to assist Shareholders in assessing Resolutions 10, 11, 12 and 13 for the purposes of ASX Listing Rule 10.11.

8.2 Chapter 2E

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in Sections 210 to 216); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit (in accordance with Sections 217 to 227).

The issue of Executive Options constitutes giving a financial benefit and Mr Noone is a related party of the Company by virtue of being a Director. The Directors of the Company (excluding Mr Noone as he has a material personal interest in Resolutions 10, 11, 12 and 13) consider that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act because the issue of Executive Options the subject of Resolutions 10, 11, 12 and 13 was reached as part of the remuneration package for Mr Noone, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a 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 has nominated a director to the board of the company pursuant to a relevant agreement that gives them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rule 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 Executive 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 Carly's shareholders under Listing Rule 10.11.

Resolutions 10, 11, 12 and 13 seek the required shareholder approval to the issue of Executive Options under and for the purposes of Listing Rule 10.11.

If Resolutions 10, 11, 12 and 13 are passed, the Company will be able to proceed with the issue of Executive Options and incentivise Mr Noone in a manner which is linked to value accretion for Shareholders.

If Resolutions 10, 11, 12 and 13 are not passed, the Company will not be able to proceed with the issue of Executive Options and then, Mr Noone will receive a cash payment equivalent in value to the long-term incentive that would have been granted had shareholder approval been obtained.

Approval pursuant to Listing Rule 7.1 is not required in order to issue Executive Options to Mr Noone (or his nominee) under Resolutions 10, 11, 12 and 13 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Executive Options to Mr Noone (or his nominee) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

8.4 Material Terms of the Executive Services Agreement

The material terms of Mr Noone's Executive Services Agreement are as follows:

| | |
|-----------------------|---|
| Name: | Chris Noone |
| Title: | Chief Executive Officer and Executive Director |
| Agreement commenced: | 7 August 2014 |
| Term of agreement: | To continue indefinitely until terminated in accordance with the agreement. |
| Probationary period: | Three months |
| Base salary: | \$225,000 per annum, plus statutory superannuation effective from 1 July 2017 |
| Short term incentive: | Up to \$225,000 per annum effective from 1 July 2020, subject to achievement of financial and non-financial key performance indicators (Previous STI since 1 July 2017: \$80,000) |
| Long term incentive: | Subject to any relevant performance or other conditions, restrictions or requirements of the Board, the Corporations Act or the ASX Listing Rules, the Company may grant shares or options for the benefit of the executive as a long-term incentive. |
| Termination: | Three months by either party. |

The Executive Services Agreement otherwise contains provisions standard for an agreement of employment including in relation to annual, long service and personal leave, confidentiality and other general provisions.

8.5 Executive Options

Resolutions 10, 11, 12 and 13 seek Shareholders' approval pursuant to Listing Rule 10.11 for the issue of 5,000,000 Executive Options as follows:

| Director | Number of Tranche A Executive Options | Number of Tranche B Executive Options | Number of Tranche C Executive Options | Number of Tranche D Executive Options | Total Number of Executive Options |
|----------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| Mr Chris Noone | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 5,000,000 |

If Mr Noone's Executive Services Agreement is terminated without cause, all vested, unvested and unexercised Executive Options will lapse unless determined by the Board in its absolute discretion. If Mr Noone's executive services agreement is terminated with cause, all vested, unvested and unexercised Executive Options will lapse.

(a) Terms of the Executive Options

Each Executive Option entitles the holder to subscribe for one Share as follows:

| Executive Options Tranche | Exercise Price | Vesting Date | Expiry Date | Number of Options |
|---------------------------|----------------|----------------------------------|--------------------------------|-------------------|
| Tranche A | \$0.10 | 12 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche A | \$0.10 | 24 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche A | \$0.10 | 36 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche A | \$0.10 | 48 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche B | \$0.18 | 12 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche B | \$0.18 | 24 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche B | \$0.18 | 36 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche B | \$0.18 | 48 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche C | \$0.24 | 12 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche C | \$0.24 | 24 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche C | \$0.24 | 36 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche C | \$0.24 | 48 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche D | \$0.30 | 12 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche D | \$0.30 | 24 months from the date of issue | 5 years from the date of issue | 250,000 |
| Tranche D | \$0.30 | 36 months from the date of issue | 5 years from the date of issue | 375,000 |
| Tranche D | \$0.30 | 48 months from the date of issue | 5 years from the date of issue | 375,000 |

The Executive Options will have a cashless exercise mechanism. Refer to Schedule 1 for the entire terms and conditions of the Tranche A, Tranche B, Tranche C and Tranche D Executive Options.

(b) Fair Value of Executive Options

The Black Scholes Pricing Model has been used to value the Tranche A Executive Options, with the following assumptions:

- (i) the risk free rate of interest of 0.785% is the Australian Government 5 year bond rate;
- (ii) the underlying security spot price of \$0.06 used for the purposes of this valuation is based on the Share price of the Company as at 6 October 2021;
- (iii) the estimated volatility used in the valuation is 75%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Executive Options will be issued on 6 October 2021.

Based on the above, the total of the fair value of the Executive Options at 6 October 2021 is as follows:

| Director | Fair Value of Tranche A Executive Options | Fair Value of Tranche B Executive Options | Fair Value of Tranche C Executive Options | Fair Value of Tranche D Executive Options | Total Fair Value of Executive Options |
|----------------|---|---|---|---|---------------------------------------|
| Mr Chris Noone | \$37,623 | \$28,405 | \$24,105 | \$20,952 | \$111,085 |

8.6 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Executive Options:

- (a) The Executive Options will be issued to Mr Chris Noone (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Noone is a related party of the Company by virtue of being a Director.
- (b) A total of 5,000,000 Executive Options will be issued to Mr Noone (or his nominee).
- (c) Refer to Schedule 1 for the entire terms and conditions of the Tranche A, Tranche B, Tranche C and Tranche D Executive Options.
- (d) The Company will issue the Executive Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- (e) The Executive Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Executive Options may raise funds if they are exercised by Mr Noone (or his nominee) and the cashless exercise option is not utilised. The Executive Options may raise funds if they are exercised by Mr Noone as follows:

| Director | Amount raised if Tranche A Executive Options are exercised | Amount raised if Tranche B Executive Options are exercised | Amount raised if Tranche C Executive Options are exercised | Amount raised if Tranche D Executive Options are exercised | Amount raised if All Executive Options are exercised |
|----------------|--|--|--|--|--|
| Mr Chris Noone | \$125,000 | \$225,000 | \$300,000 | \$375,000 | \$1,025,000 |

No decision has been made on how funds raised from the exercise of Executive Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.

- (f) The primary purpose of the issue of the Executive Options to Mr Noone (or his nominee) is to provide a performance linked long-term incentive component in his remuneration packages to motivate and reward his performance in his role as CEO and Executive Director, and to ensure that this incentive is linked to value accretion for Shareholders.
- (g) The remuneration and emoluments from the Company to Mr Noone proposed for the current financial year on an annualised basis and actual for the previous two completed financial years are as follows:

| Director | Proposed in Current Financial Year 2022 | | 2021 | | 2020 | |
|-----------------------------|---|----------------------|--------------------|------------|--------------------|------------|
| | Salary and Fees \$ | Options \$ | Salary and Fees \$ | Options \$ | Salary and Fees \$ | Options \$ |
| Mr Chris Noone ¹ | 277,500 | 111,085 ² | 293,250 | 69,145 | 244,095 | - |

- Mr Noone may receive up to an additional \$225,000 per annum in short term cash incentives subject to performance criteria being satisfied.
 - If the Executive Options are issued, the total remuneration package of Mr Chris Noone will increase by \$111,085, being the value of the Executive Options (based on the Black Scholes methodology). The value of \$111,085 will be apportioned over the vesting and five year performance period.
- (h) A summary of the material terms of Mr Noone's Executive Services Agreement is set out in Section 8.4 above.
- (i) A voting exclusion statement has been included for each Resolution.

8.7 Board Recommendation

Mr Noone declines to make a recommendation to Shareholders in relation to Resolutions 10, 11, 12 and 13 due to Mr Noone's material personal interest in the outcome of those Resolutions on the basis that Mr Noone is to be granted Executive Options in the Company should Resolutions 10, 11, 12 and 13 be passed. The Directors (other than Mr Noone) believe that Resolution 10, 11, 12 and 13 provides a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives and recommend that Shareholders vote in favour of those Resolutions.

8.8 Voting Intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolutions 10, 11, 12 and 13.

9. Resolution 14 – Approval of selective buy-back of 800,000 Collateral Shares

9.1 General

Resolution 14 seeks Shareholder approval pursuant to section 257D of the Corporations Act for the selective buy-back of 800,000 Shares (on a post-consolidation basis) that were issued on 10 January 2019 to Acuity Capital Investment Management Pty Ltd as trustee for Acuity Capital Holdings Account (**Acuity Capital**) under the controlled placement deed with Acuity Capital (**Controlled Placement Deed**) (**Collateral Shares**).

Under the Controlled Placement Deed with Acuity Capital, the Company had access to up to \$3,000,000 of equity over a 30-month period. The Controlled Placement Deed expired on 31 July 2021. In accordance with the terms of the Controlled Placement Deed, the Company and Acuity Capital agreed to enter into a buy-back agreement in order for the Company to buy-back and cancel the Collateral Shares for nil consideration (**Buy-Back**).

9.2 Material terms of Buy-Back Agreement

On 6 August 2021, the Company and Acuity Capital entered into a buy-back agreement (**Buy-Back Agreement**).

The material terms of the Buy-Back Agreement are as follows:

- the parties agree that the Company will buy-back the Collateral Shares from Acuity Capital for nil consideration; and



- Acuity Capital agreed to transfer the Collateral Shares within 7 days of receiving confirmation from the Company that it has received all of the approvals necessary to complete the Buy-Back.

On completion of the Buy-Back, the Collateral Shares will be cancelled pursuant to section 257H of the Corporations Act.

9.3 Corporations Act requirements

Resolution 14 seeks Shareholder approval to enable the Company to buy-back and cancel the Collateral Shares. Section 257D of the Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests and shareholders and creditors by:

- addressing the risk of the transaction leading to the company's insolvency;
- seeking to ensure fairness between the shareholders of the company; and
- requiring the company to disclose all material information.

In particular, section 257A of the Corporations Act provides that a company may buy-back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures set out in Division 2 of Part 2J.1 of the Corporations Act.

The procedures required differ for each type of buy-back. The buy-back proposed in Resolution 14 is classified as a selective buy-back because it only applies selectively to 800,000 Shares held by Acuity Capital. Pursuant to section 257D(1) of the Corporations Act, a selective buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back, or by their associates; or
- (b) a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with the notice of meeting a statement setting out all information known to the Company that is material to the decision on how to vote on the resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of the shares being bought back, the shares are cancelled.

9.4 Details of the Buy-Back

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information, as it relates to the proposed Buy-Back in Resolution 14 is set out below:

- (a) the Company has 108,936,853 Shares on issue at the date of this Notice;
- (b) the number and percentage of Shares to be bought back are 800,000 Shares, representing approximately 0.73% of the Shares on issue at the date of this Notice;
- (c) the terms of the Buy-Back are set out in Section 9.2 above;
- (d) there is no offer price for the Buy-Back as no consideration will be payable by the Company for the Collateral Shares;
- (e) the reason for the Buy-Back is as a result of the expiration and termination of the Controlled Placement Deed and entry into the Buy-Back Agreement;
- (f) no directors will participate in the Buy-Back and the directors have no material personal interest in the outcome of Resolution 14;
- (g) there will be no financial effect of the Buy-Back on the Company or Acuity Capital;
- (h) the Directors believe the advantages and disadvantages of the Buy-Back are:

Advantages

1. The Company's share register is restored to the position prior to the issue of Collateral Shares ie. this means that the total Shares on issue will be reduced with no cost to Shareholders or the Company.
2. Acuity Capital's shareholding is restored to the position prior to the issue of the Collateral Shares ie. Acuity Capital will hold no Shares in the Company.
3. The Company will have discharged its obligations pursuant to the Controlled Placement Deed.
4. The Buy-Back will not materially prejudice the Company's ability to pay its creditors.

Disadvantages

The Company does not consider that there are any other material disadvantages to the Company undertaking the Buy-Back.

The Buy-Back is not expected to have any effect on the control of the Company.

Resolution 14 is a special resolution and therefore requires approval of two-thirds of the votes cast by the Shareholders present and eligible to vote on poll (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

There is no other information material to the proposed decision by Shareholders whether or not to vote in favour of Resolution 14, being information that is known to the Directors which has not previously been disclosed to Shareholders, other than as set out in this Explanatory Memorandum.

9.5 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

10. Resolution 15 – Renewal of Partial Takeover Plebiscite Clause in the Constitution

10.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply a company's constitution is modified by omitting the provisions.

The proportional takeover provisions included in the Constitution were renewed on 19 November 2018 and therefore will expire on 19 November 2021.

Resolution 15 is a special resolution which will enable the Company to modify its Constitution by reinstating clause 35 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 35.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the Constitution was released to ASX on 19 November 2018 and is available for download from the ASX announcements platform and the Company's website.

10.2 Proportional takeover provisions (clause 35 of Constitution)

10.2.1 General

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 35 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

10.2.2 Information required by section 648G of the Corporations Act

Effect of proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

10.3 Board recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of reinstating the proportional takeover provisions and as a result consider that the reinstatement of the proportional takeover provision set out in clause 35 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 15.

11. Resolution 16 – Adoption of Employee Incentive Option Plan

11.1 General

Resolution 15 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Carly Holdings Limited Employee Incentive Option Plan” (**Employee Incentive Option Plan**) and for the issue of Options under the Employee Incentive Option Plan.

The Board recognises the need to adequately incentivise and remunerate staff and effective employee incentive schemes can be used as vehicles for the Company’s long term incentive plan in addition to providing the Board with flexibility to issue other equity incentives offered by the Board from time to time. The Employee Incentive Option Plan is designed to:

- (a) align employee incentives with Shareholders’ interests;
- (b) encourage broad based share ownership by employees at all levels; and
- (c) assist employee attraction and retention.

It is noted that Shareholder approval will not change the terms of the Employee Incentive Option Plan which has been in place since 30 November 2015.

11.2 ASX Listing Rule 7.1

As summarised in Section 4.2 above, 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.

11.3 ASX Listing Rule 7.2

ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee

incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX 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 16 is passed, the Company will be able to issue Options under the Employee Incentive Option Plan to eligible participants over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

If Resolution 16 is not passed, issues of Options under the Employee Incentive Option Plan may still occur but will be counted as part of the Company's 15% annual placement capacity (as detailed in Listing Rule 7.1).

Any proposed issues of Options under the Employee Incentive Option Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. There is no current intention to issue Options under the Employee Incentive Option Plan to Directors.

11.4 Specific information required by Listing Rule 7.2

In accordance with Exception 13 of Listing Rule 7.2, the following information is provided:

- (a) a summary of the key terms of the Employee Incentive Option Plan is detailed in Schedule 4;
- (b) approval was previously sought under Exception 9(b) of Listing Rule 7.2 with respect to the Employee Incentive Option Plan on 19 November 2018;
- (c) as at the date of this Notice, a total of 2,364,012 Options (on a post-consolidation basis) have been issued under the Employee Incentive Option Plan since approval was last sought;
- (d) up to a maximum of 8,000,000 Options are proposed to be issued under the Employee Incentive Option Plan during the 3-year period following approval by Shareholders; and
- (e) a voting exclusion statement with respect to Resolution 16 is included in the Notice.

11.5 Board Recommendation

The Directors consider that the Employee Incentive Option Plan is an appropriate mechanism to assist the recruitment, reward, retention and motivation of employees of the Company, and unanimously recommend that Shareholders vote in favour of Resolution 16.

11.6 Voting Intention

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 16.

12. Resolution 17 – Approval of 7.1A Mandate

12.1 Background

Broadly speaking, and subject to a number of exceptions, 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.

Resolution 17 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 17 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 17 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.

12.2 Specific Information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information is provided below in relation to Resolution 17:

(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 (i) above, 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 towards driving the continuing growth of the Carly vehicle subscription business and DriveMyCar rental business through continued marketing initiatives, technology platform development and pursuit of business development opportunities to grow the available fleet size to meet the demand for vehicles and for general working capital.

(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 16 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 6 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.

| Variable "A" | Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect | Dilution | | |
|---|--|---|--|---|
| | | \$0.03 Issue Price at half the current market price | \$0.06 Issue Price at current market price | \$0.12 Issue Price at double the current market price |
| Current Variable A 108,936,853 Shares | Shares issued | 10,893,685 | 10,893,685 | 10,893,685 |
| | Funds raised | \$326,811 | \$653,621 | \$1,307,242 |
| | Dilution | 10% | 10% | 10% |
| 50% increase in current Variable A 163,405,280 Shares | Shares issued | 16,340,528 | 16,340,528 | 16,340,528 |
| | Funds raised | \$490,216 | \$980,432 | \$1,960,863 |
| | Dilution | 10% | 10% | 10% |
| 100% increase in current Variable A 217,873,707 Shares | Shares issued | 21,787,371 | 21,787,371 | 21,787,371 |
| | Funds raised | \$653,621 | \$1,307,242 | \$2,614,484 |
| | Dilution | 10% | 10% | 10% |

*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 108,936,853 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 6 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 dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- (v) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (vi) prevailing market conditions; and
- (vii) advice from professional advisers, including corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

- (i) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 19 November 2020 (**Previous Approval**).
- (ii) During the 12 month period preceding the date of the Meeting, being on and from 19 November 2020 the Company issued 9,893,698 Equity Securities pursuant to the Previous Approval, which represents 17.5% of the total number of Equity Securities on issue at the commencement of that 12 month period (on a post-consolidation basis).
- (iii) The details of each issue or agreement to issue Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting are set out in Schedule 5.



12.3 Voting Exclusion

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.

12.4 Board recommendation

The Directors recommend Shareholders vote in favour of the Resolution.

12.5 Voting intention

The Chair of the meeting intends to vote all undirected proxies in favour of the Resolution.



GLOSSARY

\$ means an Australian dollar.

7.1A Mandate has the meaning given in Section 12.1.

Annual General Meeting means the annual general meeting the subject of this Notice.

Annual Report has the same meaning as Financial Report.

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

Auditor means the Company's auditor from time to time, at the date of the Notice, being HLB Mann Judd (WA Partnership).

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of directors of the Company.

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 or Carly means Carly Holdings Limited (ACN 066 153 982).

Constitution means the Company's constitution.

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

Director means a Director of the Company and **Directors** means the directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act.

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 Memorandum means this explanatory memorandum accompanying the Notice of Annual General Meeting.

Financial Report means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

Group means the Company and its subsidiaries.

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.



Meeting means the meeting of Shareholders convened by the Notice of Annual General Meeting.

Notice or Notice of Meeting means the notice of annual general meeting accompanying this Explanatory Memorandum.

Option means an option which entitles the holder to subscribe for one Share.

Optionholder means an option holder of the Company.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means a proxy form attached to the Notice.

Remuneration Report means the remuneration report as contained in the Directors' report section of the Company's annual financial report.

Schedule means a schedule to the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Executive Option means an Option with the terms and conditions set out in Schedule 3.

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



SCHEDULE 1

Key Terms and Conditions of the Placement Options and Lead Manager Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph 1.1(i), the amount payable upon exercise of each Option will be \$0.16 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 May 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **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 Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under 1.1(g)1.1(g)(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.

(h) **Shares issued on exercise**

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

(i) **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 ASX Listing Rules at the time of the reconstruction.

(j) **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 Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



SCHEDULE 2

Summary of material terms and conditions of Lead Manager Mandate

The Company signed a mandate letter to engage Mahe Capital to act as lead manager of the rights issue offer announced to ASX on 15 April 2021 (**Lead Manager Mandate**), the material terms and conditions of which are summarised below.

- Fees** Under the terms of this engagement, the Company will pay/issue to Mahe Capital (or its nominees):
- (a) one (1) New Option for every \$2.00 raised under the Offer;
 - (b) a management fee of 1% of total funds raised under the Offer (Mahe Capital will have the right to subscribe for this fee in scrip under the Offer);
 - (c) a lead manager fee of \$60,000 (Mahe Capital will have the right to subscribe for this fee in scrip under the Offer); and
 - (d) a placement fee of 5% of any shortfall placed, including any additional amount that might be placed under the Company's placement capacity (if applicable).
- All of the fees set out above are exclusive of GST.
- The Company will pay the Lead Manager any expenses associated with the Offer, subject to the Lead Manager obtaining the Company's consent prior to incurring any single expense greater than \$1,500.
- In the event of termination of the Lead Manager Mandate by the Company, the Lead Manager will be entitled to receive \$30,000 as a termination fee.
- Termination Events** The Company may terminate the Lead Manager Mandate at any time before any offers have been made with two days' notice to the Lead Manager.
- Mahe Capital may terminate the Lead Manager Mandate at any time by giving two days' notice in writing of its intention to do so to the Company or if any of the following events occur:
- (a) the Company defaults in relation to any term of the Lead Manager Mandate;
 - (b) any information provided to Mahe Capital contains a false or a misleading statement;
 - (c) the All Ordinaries Index as published by ASX falls 7% or more below the closing level on the date of the Lead Manager Mandate;
 - (d) the price of COMEX gold or the price of NYMEX WTI crude oil fall 7% or more below the closing level on the date of the Lead Manager Mandate; or
 - (e) any representations or warranties made by the Company are or become untrue.
- Right of First Refusal** The Company agrees to offer Mahe Capital the lead role in any future capital raising undertaken by the Company within six months of completion of the Offer.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).



SCHEDULE 3

Terms and Conditions of Executive Options

The terms and conditions of the Executive Options (**Options**) are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be as follows:

| Executive Options Tranche | Number of Options | Exercise Price |
|---------------------------|-------------------|----------------|
| Tranche A | 1,250,000 | \$0.10 |
| Tranche B | 1,250,000 | \$0.18 |
| Tranche C | 1,250,000 | \$0.24 |
| Tranche D | 1,250,000 | \$0.30 |

(c) **Expiry Date**

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

(d) **Vesting**

The Options may be exercised by the Optionholder once vested as follows:

| Executive Options Tranche | Vesting Date | Number of Options |
|---------------------------|------------------------------|-------------------|
| Tranche A | 12 months from date of issue | 250,000 |
| Tranche A | 24 months from date of issue | 250,000 |
| Tranche A | 36 months from date of issue | 375,000 |
| Tranche A | 48 months from date of issue | 375,000 |
| Tranche B | 12 months from date of issue | 250,000 |
| Tranche B | 24 months from date of issue | 250,000 |
| Tranche B | 36 months from date of issue | 375,000 |
| Tranche B | 48 months from date of issue | 375,000 |
| Tranche C | 12 months from date of issue | 250,000 |
| Tranche C | 24 months from date of issue | 250,000 |
| Tranche C | 36 months from date of issue | 375,000 |
| Tranche C | 48 months from date of issue | 375,000 |
| Tranche D | 12 months from date of issue | 250,000 |
| Tranche D | 24 months from date of issue | 250,000 |
| Tranche D | 36 months from date of issue | 375,000 |
| Tranche D | 48 months from date of issue | 375,000 |

(e) **Notice of Exercise**

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

(f) **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 Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

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

(i) **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 ASX Listing Rules at the time of the reconstruction.

(j) **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 Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities law.

(m) **Cashless exercise**

In lieu of paying the aggregate Exercise Price under paragraph (b), the Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = [B \times (C - D)] / C$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder pursuant to this paragraph (m);

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Options being exercised;

C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the Notice of Exercise; and

D = the Exercise Price.

For the purposes of this paragraph (n), **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.



SCHEDULE 4

Key Terms and Conditions of the Employee Incentive Option Plan

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,
- who is declared by the Board to be eligible to receive grants of Options under the Plan (**Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to
- (i) the Participant ceasing to be a Participant due to death or total and permanent disability; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (eg due to death, total and permanent disability);
 - (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Right (eg due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;
 - (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option;
 - (vii) the expiry date of the Option; and
 - (viii) the 7 year anniversary of the date of grant of the Option.

- (h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.

Definitions: Capitalised terms used in the above summary are as defined in the Plan, including:

Change of Control means:

- a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.



SCHEDULE 5

Equity Securities issued or agreed to be issued by the Company under Listing Rule 7.1A.2 during the 12 months preceding the Annual General Meeting

| Date of issue/ agreement to issue | Number of Equity Securities | Class of Equity Securities | Names of recipients or basis on which recipients were identified or selected | Issue price and discount to Market Price on the date of issue/ agreement to issue ¹ | Total cash consideration received and amount spent | Use of funds or intended use of funds for remaining consideration |
|--------------------------------------|--------------------------------|-------------------------------|--|---|--|--|
| 11 May 2021 (date of agreement) | 9,893,698 | Shares | Institutional, sophisticated and professional investors who were identified and selected by Mahe Capital acting as lead manager and corporate advisor to the Placement | Issue price of the Placement was \$0.08 per Share with one free attaching Placement Option for every three Shares subscribed for and issued (At Market Price on the date of agreement) | Cash received: \$791,496 Cash spent: nil | The funds raised will be applied towards growth in the supply of vehicles available for subscription, demand generation and to cover costs of the issue and for working capital and general corporate purposes |

Note:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).

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 **3:30pm (AEDT) on Tuesday 16 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>.

| | | | | | |
|--------------|--|---|---|--|--|
| Conta | Return your completed form | | | All enquiries to Automic | |
| | 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 BY FACSIMILE +61 2 8583 3040 | WEBCHAT https://automic.com.au/ PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas) | |
| | | | | | |

STEP 1: Appoint Your Proxy

Complete and return this form as instructed only if you do not vote online
I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Carly Holdings Limited, to be held at **3:30pm (AEDT) on Thursday 18 November 2021 at Suite 3, Level 7, 189 Kent Street Sydney, NSW 2000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

| | | | | | | | | | | | | | | | | | | | | | | |
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The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 10-13 and 16 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 10-13 and 16 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

| | Resolutions | For | Against | Abstain | | Resolutions | For | Against | Abstain |
|----|---|--------------------------|--------------------------|--------------------------|-----|---|--------------------------|--------------------------|--------------------------|
| 1. | Non-Binding Resolution to Adopt Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10. | Approval of Issue of Tranche A Executive Options to Director – Mr Chris Noone | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | Re-election of Director – Ms Michelle Vanzella | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. | Approval of Issue of Tranche B Executive Options to Director – Mr Chris Noone | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | Re-election of Director – Mr Stephen Abolakian | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12. | Approval of Issue of Tranche C Executive Options to Director – Mr Chris Noone | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Ratification of Prior Issue of Shares and Options under Listing Rule 7.1- Tranche 1 Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 13. | Approval of Issue of Tranche D Executive Options to Director – Mr Chris Noone | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | Ratification of Prior Issue of Shares under Listing Rule 7.1A- Tranche 1 Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 14. | Approval of selective buy-back of 800,000 Collateral Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | Ratification of Prior Issue of Options to Mahe Capital pursuant to Lead Manager Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15. | Renewal of Partial Takeover Plebiscite Clause in the Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | Approval to issue Shares and Options to Willoughby Capital – Tranche 2 Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 16. | Adoption of Employee Incentive Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. | Approval to issue Shares and Options to SG Fleet Management – Tranche 2 Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 17. | Approval of 7.1A Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | Approval to issue Options to Mahe Capital pursuant to Lead Manager Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

| | | |
|---|---|---|
| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| <input style="width: 100%; height: 30px;" type="text"/> | <input style="width: 100%; height: 30px;" type="text"/> | <input style="width: 100%; height: 30px;" type="text"/> |
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |

Contact Name:

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Contact Daytime Telephone

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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).

19 October 2021

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

Carly Holdings Limited (ACN 066 153 982) (the **Company** or **Carly**) is convening its Annual General Meeting on Thursday, 18 November 2021 at 3:30 pm (AEDT).

In accordance with the *Treasury Laws Amendment (2021 Measures No 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to Shareholders. The Notice of Meeting and Annual Report can be viewed and downloaded from the Company's website at <https://investors.carly.co/investor-relations/asx-announcements/>.

As you have not elected to receive notices by email, a copy of your personalised Proxy Form is enclosed for your convenience. Shareholders are encouraged to submit their proxy vote online or by form in accordance with the instructions on the Proxy Form.

The Company strongly encourages Shareholders to lodge a directed proxy form prior to the meeting. Your proxy vote must be received by 3:30 pm (AEDT) on Tuesday, 16 November 2021. Any proxy vote received after that time will not be valid for the meeting.

The Company will hold a physical meeting with appropriate social distancing measures in place to comply with Federal and State Government restrictions on public gatherings. Should either Federal or State Government guidance provide that a physical meeting is inadvisable or not to be held, the Company will advise Shareholders prior to the date of the meeting via ASX announcement.

The Notice of Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your professional advisers prior to voting. If you have questions about the Meeting and voting arrangements, please email the Company Secretary at shareholder@carly.co.

Yours faithfully,
CARLY HOLDINGS LIMITED



Chris Noone
CEO and Executive Director

