

13 January 2021

Madeleine Green, Senior Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000

Dear Madeleine

**Douugh Limited ('DOU'): Listing Rule 10.11 Breach – Further Queries**

Douugh Limited (ASX: DOU) ("the Company") refers to your letter of 12 January 2021 entitled "Douugh Limited ('DOU'): Listing Rule 10.11 Breach – Further Queries" ("ASX Letter"). Defined terms in this letter have the meanings ascribed to them in your letter unless otherwise stated.

The Company's response to your requests for information (in number order) is as follows:

1. No.
2. The incoming board members (Mr Andy Taylor, Mr Steve Bellotti and Mr Patrick Tuttle) were not aware.

In relation to the Placement, Mr Bert Mondello was aware, Mr Andy Taylor, Mr Steve Bellotti and Mr Patrick Tuttle were not aware.

3. The Re-Compliance Capital Raising share register (the "Register") was compiled by the lead manager. The lead manager sent the final Register to the Company, at which point the directors reviewed this information to, amongst other things ensure, to the best of their knowledge, no related parties took part in the Re-Compliance Capital Raising without all necessary approvals.

A further review of the Register was conducted prior to the issue of the securities by the Company's legal advisor (Hopgood Ganim), which included company searches, to demonstrate the spread requirement. In an administrative error, Tyrrhenian (the "Breach Entity") was not identified within the 345 entries in the Register.

The lead manager to the Placement sent the final list of investors to the Company at which point the directors reviewed the information to, amongst other things ensure, to the best of their knowledge, no related parties took part in the Placement without all necessary approvals. In an administrative error, the participation by Mr Salvatore Mondello and Mrs Gisella Mondello <Salvatore Mondello Super A/C> and the Breach Entity (together the "Related Party Entities") in the Placement were not identified.

4. As noted above in relation to the Re-Compliance Capital Raising, when the final compiled Register was sent to the Company, the directors reviewed this information to amongst other things ensure, to the best of their knowledge, no related parties took part in the capital raising without all necessary approvals. In an administrative error, the Breach Entity was not identified within the 345 entries listed in the Register.

As noted above, in relation to the Placement, in an administrative error, the participation by the Related Party Entities in the Placement was not identified.

5. The lead manager to the Re-Compliance Capital Raising circulated a proposed final list of the 345 participants in the Re-Compliance Raising, which was then reviewed and accepted by the Board.
6. The Company recognises the need for improved corporate governance practices for identifying Listing Rule 10.11 parties in relation to issues of securities. To this end, the Company is currently undertaking a review of its corporate governance practices to ensure that it has more stringent practices in place in relation to identifying Listing Rule 10.11 parties in relation to issues of securities.
7. Each of the Directors will undertake an ASX Listing Rules compliance course. The Company's legal advisor has been engaged to run a workshop with the Board to refresh the Company's current suite of corporate governance policies including addressing the requirements of Listing Rule 10.11.
8. Confirmed.
9. The responses to the questions above have been authorised and approved by the Board of the Company.

--Ends--

#### About Dough

Dough is a purpose-led, capital-lite fintech company taking an AI first approach to disrupting the business model of banking – helping people manage and grow their money to live financially healthier. Dough's long-term vision is to become a fully autonomous, subscription based financial control centre.

For more information contact:

#### Investor

[info@dough.com](mailto:info@dough.com)

#### Media

[press@dough.com](mailto:press@dough.com)



12 January 2021

Mr Derek Hall  
Company Secretary  
Dough Limited

By email:

Dear Mr Hall

**Dough Limited ('DOU'): Listing Rule 10.11 Breach – Further Queries**

ASX refers to the following:

- A. ASX's letter dated Monday, 21 December 2020 to DOU identifying a Listing Rule 10.11 breach on the basis that Salvatore Vallelonga, a director of DOU in the 6 months prior to the placement conducted on 7 December 2020 ('Placement'), had participated in the Placement via Shelf Pty Ltd and received 90,909 shares ('Breach Letter').
- B. ASX's request, pursuant to Listing Rule 18.7 for an independent party to review the Placement register to ensure that no other entity received securities in breach of the Listing Rules, including but not limited to, Listing Rule 10.11 and provide the outcome of the investigation to ASX and the independent party's response to ASX dated 23 December 2020 ('Independent Party Response') that identified the following related parties had also participated in the Placement, in breach of Listing Rule 10.11:
  - (i) Mr Salvatore Mondello and Mrs Gisella Mondello <Salvatore Mondello Super A/C> received 59,091 shares at \$0.22 in the Placement; and
  - (ii) Tyrrhenian Holdings Pty Ltd (controlled by Gisella Mondello) had received 590,909 shares at \$0.22 in the Placement (please note that ASX incorrectly referred to this number as 363,636 in the 24 December 2020 letter.)
- C. That Mr Salvatore Mondello and Mrs Gisella Mondello are related parties of DOU by being the parents of director Bert Mondello as identified in the Independent Party Response.
- D. ASX's letter dated 24 December 2020 and DOU's response to that letter dated 11 January 2021 released on ASX's Market Announcements Platform ('MAP') on 11 January 2021 that disclosed the following:
  - (i) Tyrrhenian Holdings Pty Ltd ('Tyrrhenian') controlled by Gisella Mondello, Bert Mondello's mother was issued 3,350,000 DOU shares at a price of \$0.03 each as part of the re-compliance capital raising ('Re-Compliance Capital Raising') in breach of Listing Rule 10.11 ('Breach').
  - (ii) Tyrrhenian sold 3,117,500 shares for a total profit of \$200,470 between 6 October 2020 and 14 October 2020.
  - (iii) The Breach was not identified under DOU's corporate governance practice regarding identifying parties that would be subject to Listing Rule 10.11.
  - (iv) All six current and proposed directors of DOU at the time of the Re-Compliance Capital Raising signed off on the resolution approving the Re-Compliance Capital Raising, being Andrew Taylor, Steve Bellotti, Bert Mondello, Patrick Tuttle, Josh Hunt and Salvatore Vallelonga.
  - (v) All four current directors of DOU signed off on the resolution approving the Placement being, Andrew Taylor, Steve Bellotti, Bert Mondello and Patrick Tuttle.
- E. Based on the Re-Compliance Capital Raising register Tyrrhenian received the 4<sup>th</sup> largest allotment of shares, being 3,350,000 shares, in the Re-Compliance Capital Raising.

- F. DOU's announcement entitled, 'Douugh RTO Raises Maximum of \$6M, Offer Closed' dated 3 September 2020 and lodged on MAP on the same day which stated,

*"ZipTel Limited ("ZipTel" or the "Company", ASX: ZIP) is pleased to advise that the Douugh public offer ("Offer") has closed and has raised the \$6 million maximum stated under the Prospectus Offer. **The bookbuild for the raising was multiple times in excess of the \$6 million maximum.**"*

- G. Listing Rule 10.11 which states:

10.11 Unless one of the exceptions in rule 10.12 applies, an entity must not issue or agree to issue +equity securities to any of the following +persons without the approval of the holders of its +ordinary securities.

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 entity.

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 entity and who has nominated a director to the board of the entity (in the case of a trust, to the board of the +responsible entity of the trust) 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 rules 10.11.1 to 10.11.3.

10.11.5 A +person whose relationship with the entity or a +person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by +security holders.

*The notice of meeting to obtain approval must comply with rule 10.13.*

### Request for information

Having regard to the above, ASX asks DOU to respond separately to each of the following questions and requests for information:

1. Did Bert Mondello disclose to the board of DOU that Mr Salvatore Mondello and Mrs Gisella Mondello were his parents at the following dates ('Relevant Dates'):
  - On or prior to 7 December 2020, being the date the securities pursuant to the Placement were issued.
  - On or prior to 21 September 2020, being the date the securities pursuant to the Re-Compliance Capital Raising were issued.
2. Was the board, or any individual director, of DOU otherwise aware that Mr Salvatore Mondello and Mrs Gisella Mondello were Bert Mondello's parents at the Relevant Dates?
3. If the answer to question 1 or question 2 is "no", what enquiries did the board of DOU undertake in relation to the Placement and/or Re-Compliance Capital Raising to identify whether Mr Salvatore Mondello and Mrs Gisella Mondello were the parents of Bert Mondello given that:
  - they shared the same last name;
  - Gisella Mondello was listed as the contact for Tyrrhenian; and
  - Tyrrhenian was the 4<sup>th</sup> largest investor in the Re-Compliance Capital Raising.
4. If the answer to question 1 or question 2 is "yes", please explain why DOU proceeded with the issue of securities to a party in breach of Listing Rule 10.11.

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- For personal use only
5. Please explain how it was decided that Tyrrhenian would be allocated 3,350,000 shares in the Re-Compliance Capital Raising, being the 4<sup>th</sup> largest allocation, when the *'bookbuild for the raising was multiple times in excess of the of the \$6 million'*? In answering this question, have regard to the fact that the application form for Tyrrhenian is for the full amount of shares that were eventually issued to it indicating that Tyrrhenian was not scaled back.
  6. Whether DOU believes it has sufficient corporate governance practices in place for identifying Listing Rule 10.11 parties in relation to issues of securities?
  7. If the answer to question 6 is "no" what DOU proposes to do to strengthen its corporate governance practices in identifying Listing Rule 10.11 parties in relation to issues of securities.
  8. Please confirm that DOU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
  9. Please confirm that DOU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DOU with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST Monday, 18 January 2021**.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Remedial Action**

Once your response is received, ASX will consider the appropriate corrective action to be taken by DOU.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DOU's securities under Listing Rule 17.3.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to DOU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DOU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

#### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Madeleine Green**

Senior Adviser, Listings Compliance (Perth)