

GLOBAL HEALTH LIMITED

ABN 75 091 377 892

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that a general meeting of the members of Global Health Limited (**Company**) will be held as shown below:

Date: **27 July 2021 (Tuesday)**

Time: **10:00am (AEST)**

In light of the COVID-19 pandemic, and the uncertainty about holding a physical meeting, this General Meeting (**EGM or Meeting**) will be a virtual meeting using an online platform. There will not be a physical meeting venue. Shareholders are invited to participate in the Meeting virtually via our online Meeting platform or by telephone, using the following details:

Shareholders may be present virtually and vote via the online platform provided by our share registrar Link Market Services, at <https://agmlive.link/GLH21>

For more information about how to participate in the Meeting please refer to the Virtual Meeting Online Guide, which is available on our website at <https://www.global-health.com/>

ITEMS OF BUSINESS

1) Ratification of issue of Shares under Placement Tranche 1

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

'That the issue of 7,039,640 Shares to various sophisticated and professional investors under Placement Tranche 1, details of which are set out in the Explanatory Statement, is approved under and for the purposes of Listing Rule 7.4 and for all other purposes.'

Note: A voting exclusion applies to this resolution.

The Directors recommend that you vote in favour of this resolution.

2) Approval of proposed issue of Shares under Placement Tranche 2

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

"That, subject to and conditional on the passing of Resolution 3, the proposed issue of 7,039,640 Shares to various sophisticated and professional investors under Placement Tranche 2, details of which are set out in the Explanatory Statement, is approved under and for the purposes of Listing Rule 7.1 and for all other purposes"

Note: A voting exclusion applies to this resolution.

The Directors recommend that you vote in favour of this resolution.

3) Approval of proposed issue of free attaching Options to Placement Tranche 2 participants

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

"That, subject to and conditional on the passing of Resolution 2, the proposed issue of 3,519,822 free attaching Options (subject to rounding) to sophisticated and professional investors who participate in the Placement, details of which are set out

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in the Explanatory Statement, is approved under and for the purposes of Listing Rule 7.1 and for all other purposes.”

Note: A voting exclusion applies to this resolution.

The Directors recommend that you vote in favour of this resolution.

4) Approval of proposed issue of Options to Bell Potter

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

“That the proposed issue of up to 565,677 Options to Bell Potter Securities Limited (or its nominee(s)) in consideration for services provided to the Company, details of which are set out in the Explanatory Statement, is approved under and for the purposes of Listing Rule 7.1 and for all other purposes”

Note: A voting exclusion applies to this resolution.

The Directors recommend that you vote in favour of this resolution.

5) Approval of proposed issue of Options to Baker Young

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

“That the proposed issue of up to 565,677 Options to Baker Young Limited (or its nominee(s)) in consideration for services provided to the Company, details of which are set out in the Explanatory Statement, is approved under and for the purposes of Listing Rule 7.1 and for all other purposes”

Note: A voting exclusion applies to this resolution.

The Directors recommend that you vote in favour of this resolution.

The Directors recommend that you vote in favour of each of the proposed resolutions. The Chairman intends to vote any undirected proxies in favour of each proposed resolution.

The Explanatory Statement and Notes which accompany and form part of this Notice of Meeting more fully describe the matters to be considered at the Meeting.

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 before voting.

If you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on +613 9675 0600.

By Order of the Board



Sam Butcher
Company Secretary
22 June 2021

NOTES

Proxies

A member who is entitled to attend and vote at the Meeting may appoint a proxy.

A proxy need not be a member of the Company.

A proxy can be either an individual or a body corporate. If you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If satisfactory evidence of appointment as a corporate representative is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes.

A form of appointment of proxy is enclosed. To be effective, the proxy form (and, if the appointment is signed by the appointer's attorney, the authority under which it was signed or a certified copy of the authority) must be received by the Company's share registry, Link Market Services Limited, by **10:00am (AEST) on Sunday, 25 July 2021**.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using the enclosed proxy form, an additional form of proxy is available on request from the Share Registry.

The completed Proxy Form may be:

Mailed/delivered to the Company's share registry, Link Market Services Limited at:

Street Address:	Postal Address:
Level 12	Locked Bag A14
680 George Street	Sydney South
Sydney NSW 2000	NSW 1235

Faxed to Link Market Services Limited on fax: +612 9287 0309.

Lodged On-Line: Lodge your vote on-line at Global Health Limited's Share Registry website www.linkmarketservices.com.au. If you lodge your proxy electronically you will not need to return your proxy form by mail or fax.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act. The Certificate must be lodged with the Company before the Meeting. The Company will retain the certificate.

Entitlement to Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations the Directors have set a date to determine the identity of those entitled to attend and vote at the meeting. That date is 7:00pm (AEST) on 25 July 2021.

Voting exclusions

In accordance with Listing Rule 14.11, the Company will disregard votes cast in favour of the following resolutions by or on behalf of:

Resolution	Person excluded from voting
Resolution 1	Any person who participated in the Placement, Bell Potter Securities Limited (and any nominee(s) of Bell Potter Securities Limited), Baker Young Limited (and any nominee(s) of Baker Young Limited) and any of their Associates.
Resolutions 2, 3, 4 and 5	Any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their Associates.

However, the Company need not disregard votes cast on the above if the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled resolutions to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the 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 the directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting. The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote on the resolutions.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

1) **Capital Raising**

On 15 June 2021, the Company announced a capital raising and issue of Shares and Options comprising the following components (**Capital Raising**):

Placement

- (a) A placement to professional and sophisticated investors to raise approximately \$7.81 million (**Placement**) through the issue of 14,079,280 Shares at an offer price of \$0.555 (55.5 cents) per Share (**Offer Price**).
- (b) On 22 June 2021, 7,039,640 Shares were issued under tranche 1 of the Placement (**Placement Tranche 1**), utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A, to raise a total of \$3,907,000.22 (before costs).
- (c) The Company seeks to ratify the prior issue of Shares under Placement Tranche 1 at this Meeting – see Resolution 1.
- (d) On or about 2 August 2021, 7,039,640 Shares are proposed to be issued under tranche 2 of the Placement (**Placement Tranche 2**) to raise \$3,907,000.22 (before costs).
- (e) The proposed issue of Shares under Placement Tranche 2 is conditional on Shareholder approval which is sought under Resolution 2. Resolution 2 is also conditional on the passing of Resolution 3, by which approval is sought to issue the Options which are being offered on a free attaching basis to the Placement Tranche Shares.
- (f) The Company engaged the services of Bell Potter Securities Limited (**Bell Potter**) to lead manage the Placement.

Options

- (g) Shares issued under the Placement will be offered with free attaching options, expiring two years after their issue and with an exercise price of \$0.8325 per Share (**Options**).
- (h) The terms of issue of the Options are set out in Schedule 1.
- (i) The Options to be issued to participants in Placement Tranche 1 (**Tranche 1 Options**) are not subject to Shareholder approval as the Tranche 1 Options will be issued utilising the Company's available capacity under ASX Listing Rule 7.1.
- (j) The Options to be issued to participants in Placement Tranche 2 (**Tranche 2 Options**) are subject to Shareholder approval under Resolution 3.
- (k) The Options will be allocated at a ratio of 1 Option for every 2 Shares issued under the Placement.
- (l) The Options will be offered under a transaction-specific prospectus issued by the Company before the date of the Meeting (**Prospectus**), with the issue of Options subject to Shareholder approval at this Meeting.

- (m) The Options will not be listed on ASX.
- (n) The Prospectus has been, or will be, sent to each sophisticated and professional investor who participates in the Placement.
- (o) Resolution 3 seeks approval for the issue of 3,519,822 free attaching Tranche 2 Options to participants in the Placement Tranche 2, and is conditional on the passing of Resolution 2.

Issue of Options to Bell Potter and Baker Young

- (p) Resolution 4 seeks approval for the issue of up to 565,677 Options to Bell Potter (or its nominee(s)) in part-payment for services provided by Bell Potter to the Company in connection with the Placement. Bell Potter is entitled to a number of Options equal to 1% of the total number of fully paid ordinary shares in the Company following completion of the Placement. If the issue of Shares under Placement Tranche 2 is approved and takes place, Bell Potter will be entitled to 565,677 Options. If the issue of Shares under Placement Tranche 2 does not take place, Bell Potter will be entitled to 495,281 Options.
- (q) Resolution 5 seeks approval for the issue of up to 565,677 Options to Baker Young (or its nominee(s)) in part-payment for services provided by Baker Young to the Company in connection with the Placement. Baker Young is entitled to a number of Options equal to 1% of the total number of fully paid ordinary shares in the Company following completion of the Placement. If the issue of Shares under Placement Tranche 2 is approved and takes place, Baker Young will be entitled to 565,677 Options. If the issue of Shares under Placement Tranche 2 does not take place, Baker Young will be entitled to 495,281 Options.

2) **Resolution 1 – Ratification of issue of Shares under Placement Tranche 1**

The background to Placement Tranche 1 is set out in section 1 of this Explanatory Statement. Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 of Shares issued in connection with Placement Tranche 1.

ASX Listing Rules 7.1, 7.1A and 7.4

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.

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% for the 12 months following that meeting. The Company obtained approval under Listing Rule 7.1A to increase its 15% limit by an extra 10% to 25% at its most recent Annual General Meeting on 30 November 2020 (the **10% Placement Facility**).

The issue of the Placement Tranche 1 Shares does not fit within any of the exceptions and, as it has not yet been approved by the Company's Shareholders, it and the accompanying Options will effectively use up the 15% limit in Listing Rule 7.1 and most of the 10% Placement Facility provided for in Listing Rule 7.1A, 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 date of the issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule or Listing Rule 7.1A.

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 and Listing Rule 7.1A. To this end, Resolution 1 seeks Shareholder approval of the issue of the Placement Tranche 1 Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Placement Tranche 1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility), effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of the issue.

If Resolution 1 is not passed, the issue of the Placement Tranche 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility), effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of the issue.

Information provided in accordance with Listing Rule 7.5

For the purpose of Resolution 1, the following information is provided in relation to the issue of the Placement Tranche 1 Shares in accordance with Listing Rule 7.5:

- (a) The number of Shares issued under Listing Rule 7.1 in connection with Placement Tranche 1 will be 2,853,445 Shares. The number of Shares issued under Listing Rule 7.1A in connection with Placement Tranche 1 will be 4,186,195 Shares.
- (b) The price at which the Placement Tranche 1 Shares will be issued is the Offer Price of \$0.555 per Share.
- (c) Shares issued under Placement Tranche 1 are fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (d) The allottees of the Placement Tranche 1 Shares are sophisticated and institutional investors who were invited to participate in the Placement bookbuild by agreement between the Company and the lead managers of the Placement. The participants in the Placement otherwise/either did not fall within one of the categories of investors identified in ASX Listing Rules Guidance Note 21.
- (e) Shares issued under Placement Tranche 1 were issued on 22 June 2021.
- (f) The Company received \$3,907,000.22 (before costs) from the issue of the Placement Tranche 1 Shares. Funds raised from the Placement will be used to fund growth initiatives and pay the costs of the Placement (further details are provided in the Investor Presentation lodged with ASX on 15 June 2021 and available at www.asx.com.au).
- (g) A voting exclusion statement in relation to Resolution 1 is included in the Notice.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

The Chairman intends to vote undirected proxies in favour of Resolution 1.

3) **Resolution 2 – Approval of proposed issue of Shares under Placement Tranche 2**

The background to Placement Tranche 2 is set out under section 1 of this Explanatory Statement. Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of Shares in connection with Placement Tranche 2.

ASX Listing Rules 7.1, 7.1A and 7.4

See section 2 of this Explanatory Statement for a summary of the operation of Listing Rules 7.1, 7.1A and 7.4.

The proposed issue of the Placement Tranche 2 Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A. It therefore requires the approval of Shareholders under Listing Rule 7.1

Resolution 2 seeks the required Shareholder approval to the proposed issue of the Placement Tranche 2 Shares under and for the purposes of Listing Rule 7.1

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Tranche 2 Shares without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility provided for in Listing Rule 7.1A).

If Resolution 2 is not passed, the Company would be unable to issue Shares in connection with Placement Tranche 2 and would be unable to raise the expected proceeds of Placement Tranche 2, being approximately \$3.9 million.

Resolution 2 is conditional on the passing of Resolution 3.

Information provided in accordance with Listing Rule 7.3

For the purpose of Resolution 2, the following information is provided in relation to the proposed issue of the Placement Tranche 2 Shares in accordance with Listing Rule 7.3:

- (a) If approved by Shareholders, the Placement Tranche 2 Shares will be issued to sophisticated and institutional investors who were invited to participate in the Placement bookbuild by agreement between the Company and the lead managers of the Placement. The participants in the Placement did not fall within one of the categories of investors identified in ASX Listing Rules Guidance Note 21.
- (b) The number of Shares proposed to be issued in connection with Placement Tranche 2 is 7,039,640 Shares. Shares proposed to be issued under Placement Tranche 2 will be fully paid ordinary shares and will rank equally in all respects with the Company's other Shares on issue.
- (c) If approved by Shareholders, it is anticipated that the Placement Tranche 2 Shares will be issued on or about 2 August 2021, and in any event within 3 months of the date of the Meeting.
- (d) The price at which the Placement Tranche 2 Shares are proposed to be issued is the Offer Price of \$0.555 per Share.
- (e) The Company anticipates receiving \$3,907,000.22 before costs from the issue of the Placement Tranche 2 Shares. Funds raised from the Placement will be used to fund growth initiatives and pay the costs of the Placement (further details are provided in the Investor Presentation lodged with ASX on 15 June 2021 and available at www.asx.com.au).
- (f) A voting exclusion statement in relation to Resolution 2 is included in the Notice.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote undirected proxies in favour of Resolution 2.

4) **Resolution 3 – Approval of proposed issue of Tranche 2 Options to Placement Tranche 2 participants**

The background to the proposed issue of free attaching Options to Placement participants is set out in section 1 of this Explanatory Statement.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of the Tranche 2 Options to Placement Tranche 2 participants. Shareholder approval is not required for the issue of Tranche 1 Options to Placement Tranche 1

participants because the issue of the Tranche 1 Options is being undertaken utilising the Company's available capacity under ASX Listing Rule 7.1.

ASX Listing Rules 7.1, 7.1A and 7.4

See section 2 of this Explanatory Statement for a summary of the operation of Listing Rules 7.1, 7.1A and 7.4.

The proposed issue of Tranche 2 Options to the Placement participants does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A. It therefore requires the approval of Shareholders under Listing Rule 7.1

Resolution 3 seeks the required Shareholder approval to the proposed issue of Tranche 2 Options to the Placement participants under and for the purposes of Listing Rule 7.1

If Resolution 3 is passed, the Company will be able to proceed with the issue of Tranche 2 Options to the Placement participants without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility provided for in Listing Rule 7.1A).

If Resolution 3 is not passed, the Company would be unable to issue the Tranche 2 Options to Placement participants because the issue of Tranche 2 Options is conditional on Shareholder approval on the basis that the Company does not have sufficient capacity under ASX Listing Rule 7.1 to issue all of the Tranche 2 Options.

Resolution 3 is conditional on the passing of Resolution 2.

Information provided in accordance with Listing Rule 7.3

For the purpose of Resolution 3, the following information is provided in relation to the proposed issue of free attaching Tranche 2 Options to the Placement Tranche 2 participants in accordance with Listing Rule 7.3:

- (a) If approved by Shareholders, Options will be issued to sophisticated and institutional investors who were invited to participate in the Placement bookbuild by agreement between the Company and the lead managers of the Placement. The participants in the Placement did not fall within one of the categories of investors identified in ASX Listing Rules Guidance Note 21.
- (b) The maximum number of Tranche 2 Options proposed to be issued to Placement participants is 3,519,822 Options (subject to rounding). The Tranche 2 Options have been allocated at a ratio of one Option for every two Shares issued under the Placement.
- (c) The Options will be issued in accordance with the Terms of Issue set out in Schedule 1.
- (d) If approved by Shareholders, it is anticipated that the Tranche 2 Options will be issued on or about 2 August 2021, and in any event within 3 months of the date of the Meeting.
- (e) The issue price of the Tranche 2 Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement (under the Prospectus).
- (f) No funds will be raised from the issue of the free attaching Options as they will be issued for nil consideration.
- (g) A total of \$2,930,251.82 would be raised by the Company if all of the Tranche 2 Options issued under this Resolution 3 were exercised.
- (h) A voting exclusion statement in relation to Resolution 3 is included in the Notice.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote undirected proxies in favour of Resolution 3.

5) **Resolutions 4 and 5 – Approval of proposed issue of Options to Bell Potter and Baker Young**

The background to the proposed issue of Options to Bell Potter and Baker Young, as part-payment for lead manager services provided by each of them to the Company in connection with the Placement is set out in section 1 of this Explanatory Statement.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of the Options to Bell Potter (or nominee(s)).

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of the Options to Baker Young (or nominee(s))

ASX Listing Rules 7.1, 7.1A and 7.4

See section 2 of this Explanatory Statement for a summary of the operation of Listing Rules 7.1, 7.1A and 7.4.

The proposed issue of Options to Bell Potter does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A. It therefore requires the approval of Shareholders under Listing Rule 7.1

Resolution 4 seeks the required Shareholder approval to the proposed issue of Options to Bell Potter, and Resolution 5 seeks the required Shareholder approval to the proposed issue of Options to Baker Young, under and for the purposes of Listing Rule 7.1

If Resolution 4 is passed, the Company will be able to proceed with the issue of Options to Bell Potter without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility provided for in Listing Rule 7.1A). If Resolution 4 is not passed, the Company may be unable to issue the Options to Bell Potter (as required by the mandate letter between the parties).

If Resolution 5 is passed, the Company will be able to proceed with the issue of Options to Baker Young without using up any of the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility provided for in Listing Rule 7.1A). If Resolution 5 is not passed, the Company may be unable to issue the Options to Baker Young (as required by the mandate letter between the parties).

Information provided in accordance with Listing Rule 7.3

For the purpose of Resolutions 4 and 5, the following information is provided in relation to the proposed issue of Options to Bell Potter (or nominee(s)) in accordance with Listing Rule 7.3:

- (i) If Resolution 4 is approved by Shareholders, Options will be issued to Bell Potter Securities Limited (or its nominee(s)).
- (j) If Resolution 5 is approved by Shareholders, Options will be issued to Baker Young Limited (or its nominee(s)).
- (k) The maximum number of Options proposed to be issued to Bell Potter is 565,677 Options.
- (l) The maximum number of Options proposed to be issued to Baker Young is 565,677 Options.

- (m) The Options to be issued to each of Bell Potter and Baker Young (or nominees) will be issued in accordance with the Terms of Issue set out in Schedule 1.
- (n) If approved by Shareholders, it is anticipated that the Options will be issued on or about 2 August 2021, and in any event within 3 months of the date of the Meeting.
- (o) The issue price of the Options will be nil as they will be issued in consideration for services provided by Bell Potter and Baker Young in connection with the Placement.
- (p) No funds will be raised from the issue of the Options to Bell Potter or Baker Young as they will be issued for nil cash consideration.
- (q) A total of \$470,926 would be raised by the Company if all of the Options issued under Resolution 4 were exercised.
- (r) A total of \$470,926 would be raised by the Company if all of the Options issued under Resolution 5 were exercised.
- (s) A voting exclusion statement in relation to each of Resolutions 4 and 5 is included in the Notice.

Recommendation for Resolution 4

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour of Resolution 4.

Recommendation for Resolution 5

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 5.

SCHEDULE ONE – TERMS OF ISSUE OF OPTIONS

Each option (**Option**) issued by the Company entitles its holder to subscribe for one fully-paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions.

- (a) The Options are exercisable at \$0.8325 each, at any time after their issue up to 5pm Melbourne time on the two year anniversary of the date of their issue, but not thereafter (**Option Exercise Period**). Each Option will automatically lapse if not exercised prior to expiry of the Option Exercise Period.
- (b) Each Option entitles the holder to subscribe for, and be issued with, one Share.
- (c) The Company will not apply for quotation of the Options on ASX.
- (d) The Company must give or cause to be given to each Option holder a certificate or holding statement stating:
 - (i) the number of Options issued to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options and the Option Exercise Period.
- (e) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the *Corporations Act 2001* (Cth).
- (f) The Options are freely transferable, subject to registration of the transfer by the Company.
- (g) For such time as the Company is listed, the official listing rules of ASX (**Listing Rules**) will apply to the Options.
- (h) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options will rank equally with all other issued Shares from the date they are issued by the Company.
- (i) An Option holder is not entitled to participate in any new issue of securities to existing shareholders of the Company (**Shareholders**) unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (j) If the Company is listed on ASX, the Company must give the Option holder, if required to do so by the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph (i); and
 - (ii) the right to exercise the Option holder's Options under paragraph (i).
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules.

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Explanatory Statement

- (l) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Company may elect to reduce the exercise price of each Option in accordance with the Listing Rules.
- (m) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (n) Any calculations or adjustments which are required to be made under these Option Terms of Issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (o) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs (k) to (m) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of the Options.
- (p) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options Form (in a form approved by the Company, with the parties acknowledging that the Notice of Exercise of Options Form may be delivered by the Option holder to the Company by email), together with payment of the exercise monies payable to the Company in connection with the Options being exercised and, if one was issued, the Option holder certificate.
- (q) The Options are exercisable on any day other than a Saturday, Sunday public holiday or any other day that ASX declares is not a business day (**Business Day**) during the Option Exercise Period.
- (r) An Option holder must only exercise a minimum of 50,000 Options, and thereafter in multiples of 10,000, unless an Option holder exercises all of their Options.
- (s) If an Option holder exercises less than the total number of their Options, the Company must issue the Option holder a new holding statement for the remaining number of Options held by the Option holder.
- (t) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraph (p) and (q). The Company shall within 10 Business Days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a holding statement to the holder in respect of the Shares so issued.
- (u) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Options on the date of issue of such Shares.
- (v) If required by the Listing Rules to do so, the Company will advise an Option holder at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.

- (w) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of Victoria. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and the Federal Court of Australia and any courts that may hear appeals from those courts about any proceedings in connection with these Options.

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