

HERAMED LIMITED
ACN 626 295 314
NOTICE OF GENERAL MEETING

TIME: 2:00pm (AEDT)
DATE: 20 December 2021
PLACE: Automic Group, Level 5, 125 Phillip St, Sydney NSW 2000

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 wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary by email on jonathan@hera-med.com.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is hereby given that the Meeting will be held at 2:00pm (AEDT) on 20 December 2021 at Automic Group, Level 5, 125 Phillip St, Sydney NSW 2000.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:00pm (AEDT) on 18 December 2021.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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 changes to the Corporations Act made in 2011 mean 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF CONVERTIBLE NOTES

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,392,047 Notes issued on 25 October 2021 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a) any person who participated in the issue of any of the Notes that are the subject of Resolution 1, being the Note Investors; or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a) a person, proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the direction given to the chair to vote on Resolution 1 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and
 - ii. the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF OPTIONS – PLACEMENT

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 27,907,215 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- a) any person who is expected to participate in (being the Note Investors), 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); or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a) a person, proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the direction given to the chair to vote on Resolution 2 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - ii. the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL OF ISSUE OF CORPORATE ADVISORY OPTIONS – PLACEMENT

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the issue of 1,000,000 Advisory Options to PAC Partners or its nominee(s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a) any 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 PAC Partners (or its nominee/s); or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a) a person, proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the direction given to the chair to vote on Resolution 3 as the chair decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - ii. the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 11 November 2021

By order of the Board

Ron Weinberger
Chairman

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES

1.1 General

On 18 October 2021, the Company announced that it had successfully raised \$2,392,047 via placement of convertible notes (**Notes** and each a **Note**).

The key commercial terms of the Notes are as follows:

- (a) **Amount raised:** \$2,392,047 placed with each Note having a face value of \$1.00;
- (b) **Maturity Date:** 6 months from date of issue;
- (c) **Interest:** 10% p.a. capitalised and paid in additional shares at conversion price;
- (d) **Conversion Event (Automatic):** The Notes automatically convert if the Company receives A\$4.0 million or more (whether in single or multiple closings) (**Qualified Financing**) on or before the Maturity Date, the face value amount of each Note and all interest due will automatically convert into fully paid ordinary shares into the Company;
- (e) **Conversion price on Qualifying Financing or Exit:** at the lesser of \$0.20c or a 15% discount to the relevant event and subject to a floor of \$0.09 cents per Share. On conversion of the Notes, investors will receive 1 unlisted option for every 2 Shares issued, exercisable at \$0.30 with a two-year expiry from the date of issue; and
- (f) **Conversion Event (at Maturity Date):** If the Notes remain unconverted at the Maturity Date they will convert automatically at a 25% discount to the 5 day volume weighted average price (VWAP) of the Shares at that time, with capitalised interest paid in additional shares at the conversion price of the Notes. Investors will also receive 1 unlisted option for each Share issued, exercisable at a 200% premium to the relevant conversion price with a two-year expiry from the date of issue.

Please note that the effect of the issued share capital of the company upon the issue and conversion of the Notes is as follows:

Shares	Number
Shares issued on the date of this Notice	177,188,778
Shares issued upon conversion of the Notes ¹	27,907,215
Total Shares on issue following conversion of all Notes	205,095,993

Note 1: This assumes that the Notes are converted at the lowest possible Note price (being \$0.09) and all interest due will automatically convert into fully paid ordinary shares into the Company (interest at six (6) months being \$119,602.35 works out to be 1,328,915 Shares (**Interest Shares**)). These Interest Shares were agreed to be issued in breach of HMD's capacity and the Company was subject to a holiday placement and that is why the Company is not seeking ratification of these securities. The Interest Shares will reduce the Company's Listing Rule 7.1 placement capacity over the following 12 months.

1.2 Why is Shareholder approval being sought?

The Notes were issued by the Company under the Company's 15% annual securities issuing limit set out in ASX Listing Rule 7.1. Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of Equity Securities (which includes shares, options over unissued shares, rights to shares and convertible notes) that a listed company may issue, or agree to issue, without shareholder approval in any rolling 12-month period to 15% of the company's issued ordinary shares. However, ASX Listing Rule 7.4 provides that where a listed company in general meeting subsequently approves a prior issue of securities and that prior issue did not breach ASX Listing Rule 7.1, those securities will be treated as having been made with shareholder approval for the purpose of ASX Listing 7.1. The Company is seeking Shareholder approval for the Notes issue for the purposes of ASX Listing Rule 7.4 to enable the Company to retain the flexibility to issue new Equity Securities following the meeting and up to the 15% limit in ASX Listing Rule 7.1, without the need to seek Shareholder approval.

If Resolution 1 is passed by Shareholders, the issue of the Notes will be excluded from the calculations of the Company's 15% limit under Listing Rule 7.1 (with the exclusion of the Interest Shares). If Resolution 1 is not passed by Shareholders, the Notes will be included in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the issue date of the Notes.

1.3 Specific Information required for ASX Listing Rule 7.5

In addition to the above information and in accordance with ASX Listing Rule 7.5, the following information is provided for Shareholders:

- (a) **Names of the persons to whom the Company issued the Notes or the basis upon which those persons were identified or selected:** The Notes were issued to eligible sophisticated investors identified by PAC Partners through a bookbuild process, acting as sole lead manager for the Notes offer, being the Note Investors.
- (b) **The number and class of securities issued:** 2,392,047 Notes with an aggregate face value of \$2,392,047 and with a maturity date of six (6) months from date of issue. Each Note is convertible into Shares as set out in section 1.1 above.
- (c) **Date of issue:** The Notes were issued on 25 October 2021.
- (d) **Issue price or other consideration the Company has received for the issue of each Note:** \$2,392,047 placed, with each Note having a face value of \$1.00.
- (e) **The purpose of issue:** The funds raised will support ongoing requirements as the Company continues to support existing pilots and their progress through the next stage of commercial discussions as well as potential new pilots.
- (f) The material terms of the Notes:
 - (i) **Interest:** 10% p.a. capitalised and paid in additional Shares at conversion price;
 - (ii) **Maturity Date:** six (6) months from date of issue.
 - (iii) **Conversion Event (Automatic):** The Notes automatically convert if the Company receives A\$4.0 million or more (whether in single or multiple closings) (**Qualified Financing**) on or before the Maturity Date, the principal amount of each Note and all interest due will automatically convert into fully paid ordinary shares into the Company;
 - (iv) **Conversion price on Qualifying Financing or Exit:** at the lesser of \$0.20c or a 15% discount to the relevant event and subject to a floor of \$0.09 cents per Share. On conversion of the Notes, investors will receive 1 unlisted option for every 2 Shares issued, exercisable at \$0.30 with a two-year expiry from the date of issue; and

- (v) **Conversion Event (at Maturity Date):** If these Notes remain unconverted at maturity they will convert automatically at a 25% discount to the 5 volume weighted average price (VWAP) of the Shares at that time with capitalised interest paid in additional shares at the conversion price of the Notes. Investors will also receive 1 unlisted option for each Share issued, at an exercise price the equivalent of a 200% premium to the relevant conversion price with a two-year expiry from the date of issue of the unlisted option.

Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Notes, the subject of Resolution 1.

2. RESOLUTION 2 – APPROVAL FOR ISSUE OF OPTIONS – PLACEMENT

2.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 27,907,215 Options for nil consideration to the Note Investors, being the subscribers in the Notes summarised in Resolution 1 (**Notes Offer**) and announced on ASX on 18 October 2021 based on a maximum of one (1) Option for every one (1) Share issued (**Option Placement**). The Options will have a minimum exercise price of \$0.18 and an expiry date of two (2) year from date of issue.

Please note:

- (a) that the Option Placement is a separate offer to the Note offer pursuant to Resolution 1; and
- (b) the above assumes the maximum options to be issued, i.e. a Conversion Event (at the Maturity Date) as summarised in section 1.3(f) (v). Should a Qualified Financing or Exit occur prior to maturity (as summarised in section 1.3(f)(iii) and (iv)), investors will receive 1 option for 2 Shares issued, exercisable at \$0.30 with a 2 year expiry from the date of issue.

As summarised in section 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 proposed issue of the Options the subject of Resolution 3 does not fall within any of these exceptions and exceeds the 15% limit 12 in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the Option Placement. In addition, the issue of the 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 2 is not passed, the Company will not be able to proceed with the Option Placement at this point in time and the issue of the Options would likely be made at a later date when the Company has placement capacity to do so.

2.2 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 2:

- (a) the Options will be issued to the Note Investors, being the sophisticated investors who participated in the Note Offer;
- (b) the maximum number of Options to be issued is 27,907,215;
- (c) the Options will be issued no later than 29 April 2022 (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price of the Options will be nil as they will be issued free attaching to the Shares issued pursuant to the conversion of the Notes:
 - (i) on a one-for one basis (assuming a Conversion Event (at Maturity Date) which is summarised in section 1.3(f)), exercisable at a minimum price of \$0.18 with an expiry of two (2) years; or
 - (ii) on a one-for two basis (assuming a Qualified Financing or Exit) which is summarised in section 1.3(iii) and (iv), exercisable at \$0.30 with a 2 year expiry from the date of issue;
- (e) the Options will be issued on the terms and conditions set out in Schedule A; and

- (f) no funds will be raised from the Option Placement as the Options will be issued for nil consideration. Any amount raised on exercise of the Options will be used for working capital purposes.

Voting Exclusion - A voting exclusion statement is included in the Agenda in this Notice for Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR ISSUE OF ADVISORY OPTIONS

3.1 Background

Pursuant to a capital raising mandate between the Company and PAC Partners Securities Pty Ltd (**PAC Partners**) dated on or about 18 October 2021 (**Mandate**), the Company has agreed to issue to PAC Partners or its nominees (**Resolution 3 Allottees**) 1,000,000 unlisted options exercisable at \$0.30 each expiring on or before 2 years from the date of issue (**Advisor Options**).

Pursuant to the Mandate, the Company agreed to issue the Advisor Options in part consideration for services provided by PAC Partners. The proposed issue of the Advisor Options will be in addition to the payment by the Company of capital raising fees of 6% of funds received in connection with the Note Offer.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Advisor Options. In addition, the issue of the Advisor 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 3 is not passed, the Company will not be able to proceed with the issue of the Advisor Options at this point in time and the issue of the Advisor Options would likely be made at a later date when the Company has placement capacity to do so.

3.2 Technical Information required by ASX Listing Rule 7.1

In accordance with the disclosure requirement of ASX Listing Rule 7.3, the Company advises as follows in respect of the Advisor Options:

- (a) **Maximum Size of Issue** – a total of 1,000,000 Advisor Options the subject of Resolution 3 are proposed to be issued to the Resolution 3 Allottees.
- (b) **Date of Issue** – subject to Shareholders approving Resolution 3, all 1,000,000 Advisor Options the subject of Resolution 3 will be issued to PAC Partners or its nominee(s) promptly after the close of the Meeting, and in any event prior to the expiry of 3 months after the date of the Meeting.
- (c) **Issue Price** - no cash consideration has been or will become payable to the Company as a result of the issue of any Advisor Options referred to above in Paragraph 3. The Advisor Options the subject of Resolution 3 are proposed to be issued to the Resolution 3 Allottees in consideration for the provision of professional services by those Resolution 3 Allottees in connection with the Note Offer.
- (d) **Persons to whom the Advisor Options will be issued** – the Resolution 3 Allottees, as referred to above in this Paragraph 3.
- (e) **Terms of Advisor Options** – the main terms of the Advisor Options are (Schedule B sets out the full terms of the Advisor Options):
- (i) Term: expiring 2 year after the date of issue;
 - (ii) Exercise Price per Advisor Option: A\$0.30, payable in full upon exercise;
 - (iii) Exercise ratio: one Share for each Advisor Option validly exercised; and
 - (iv) Vesting: the Advisor Options are fully vested upon being issued.
- (f) **Intended use of Funds Raised** – no funds will be raised as a result of the proposed issue of the Advisor Options. Any amount raised on exercise of the Advisor Options will be used for working capital purposes.
- (g) **Summary of the material terms of the Mandate:** The Company engaged Pac Partners to act as lead manager to the capital raising the subject of Resolution 1 and had agreed to issue 1,000,000 Advisor Options in part consideration for services provided by Pac Partners (pursuant to this Resolution 3). The proposed issue of the Advisor Options will be in addition to the payment by the Company of capital raising fees of 6% of funds received in connection with the placement of the Notes in October 2021.

Voting Exclusion - A voting exclusion statement is included in the Agenda in this Notice for Resolution 3.

4. RECOMMENDATIONS

The Directors believe that the above proposals are in the best interest of the Company and, save where otherwise stated, unanimously recommend that shareholders vote in favour of the Resolutions to be proposed at the Company's general meeting.

5. ENQUIRIES

Shareholders are required to contact the Company Secretary via email to jonathan@hera-med.com if they have any queries in respect of the matters set out in this Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Company means HeraMED Limited (ACN 626 295 314).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Note Investors means the sophisticated investors who participated in the capital raising announced by the Company on 18 October 2021, who were identified through a bookbuild process, which involved PAC Partners seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a registered holder of a Share.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

SCHEDULE A – TERMS AND CONDITIONS OF OPTIONS

HERAMED LIMITED ACN 626 295 314 (Company)

- a) **Entitlement:** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- b) **Exercise Price:** Subject to paragraph (i) and if:
- i. there is a Qualifying Financing or Exit, the amount payable upon exercise of each Option will be \$0.30; or
 - ii. there is conversion at the Maturity Date, the amount payable upon exercise of each Option will be at a 200% premium to the conversion price of the Notes, **(Exercise Price)**.
- c) **Expiry Date:** Each Option will expire at 5:00 pm two years from date of issue (**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 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 15 Business Days after the Exercise Date, the Company will:
- i. allot and 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 paragraph (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. Quotation of Shares issued on exercise if admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- i) **Reconstruction of capital:** Subject to the Corporations Act and the ASX Listing Rules at the time of reconstruction, upon any sub-division or consolidation of the Shares or reduction of share capital, the number of Shares to be subscribed on any subsequent exercise of the Options will be increased or reduced in due proportion so as to maintain the same relative subscription rights for the Options and the Exercise Price will be adjusted accordingly.
- 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) **Not Quoted:** The Company will not apply for quotation of the Options on ASX.
- m) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- n) **Deferral of Exercise:** If the exercise of an Option would result in any person being in contravention of section 606(1) of the Corporations Act (**Prohibition**), the exercise of those Options shall be deferred until such time or times when the exercise would not result in a contravention of the Prohibition. In assessing whether the exercise of an Option would result in any person being in contravention of the Prohibition:
- i. Holders may give written notice to the Company if they consider that the exercise of an

Option may result in contravention of the Prohibition. The absence of such written notice from the holder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition.

- ii. The Company may (but is not obliged to) by written notice to the holder request that the holder provides the written notice referred to in paragraph (a) within 7 days if the Company considers that the exercise of an Option may result in the contravention of the Prohibition. The absence of such written notice from the holder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition.
- o) **Definitions:** Capitalised terms not otherwise defined in these terms have the meaning given to them in the Convertible Deed Poll issued by the Company on 25 October 2021.

SCHEDULE B – TERMS AND CONDITIONS OF ADVISOR OPTIONS

HERAMED LIMITED ACN 626 295 314 (Company)

- 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 \$0.30 (**Exercise Price**).
- c) **Expiry Date:** Each Option will expire at 5:00 pm two years from date of issue (**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 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 15 Business Days after the Exercise Date, the Company will:
 - i. allot and 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 paragraph (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. Quotation of Shares issued on exercise if admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- i) **Reconstruction of capital:** Subject to the Corporations Act and the ASX Listing Rules at the time of reconstruction, upon any sub-division or consolidation of the Shares or reduction of share capital, the number of Shares to be subscribed on any subsequent exercise of the Options will be increased or reduced in due proportion so as to maintain the same relative subscription rights for the Options and the Exercise Price will be adjusted accordingly.
- 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) **Not Quoted:** The Company will not apply for quotation of the Options on ASX.
- m) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- n) **Deferral of Exercise:** If the exercise of an Option would result in any person being in contravention of section 606(1) of the Corporations Act (**Prohibition**), the exercise of those Options shall be deferred until such time or times when the exercise would not result in a contravention of the Prohibition. In assessing whether the exercise of an Option would result in any person being in contravention of the Prohibition:
- i. Holders may give written notice to the Company if they consider that the exercise of an Option may result in contravention of the Prohibition. The absence of such written notice from the holder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition.
 - ii. the Company may (but is not obliged to) by written notice to the holder request that the holder provides the written notice referred to in paragraph (a) within 7 days if the Company considers that the exercise of an Option may result in the contravention of the Prohibition. The absence of such written notice from the holder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition.

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 **2.00pm (AEDT) on Saturday, 18th December 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>.

