

# Notice of Annual General Meeting and Explanatory Notes

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Alcidion Group Limited  
ACN 143 142 410

**Date:** Thursday, 25 October 2018.

**Time:** 11.30 a.m., Adelaide time.

**Venue:** The Science Exchange  
55 Exchange Place  
Adelaide SA 5000

# Notice of Annual General Meeting

## Notice

Notice is hereby given that the Alcidion Group Limited ('**Alcidion**' or '**Company**') Annual General Meeting of Shareholders will be held at The Science Exchange, 55 Exchange Place, Adelaide, South Australia, 5000 on Thursday, 25 October 2018 at 11.30 a.m. Adelaide time. Attached to and forming part of this Notice of Meeting are the Explanatory Notes that provide Shareholders with background information and further details in understanding the reasons for and the effect of the Resolutions if approved.

This information is presented in accordance with the regulatory requirements of the *Corporations Act 2001* (Cth) ('**Corporations Act**').

If you are unable to attend the meeting, you are requested to complete the proxy form enclosed with this notice. The entitlement for Shareholders to vote at the meeting will be determined by reference to those persons on the register of members as at 7.00 p.m. Sydney time on Tuesday, 23 October 2018. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be sent to the Share Registry using the details below:

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|  <b>Online</b>    | <a href="http://www.investorvote.com.au">www.investorvote.com.au</a><br>Or for Intermediary Online subscribers only (custodians)<br><a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> |
|  <b>By Fax</b>  | 1800 783 447 (within Australia)<br>+61 3 9473 2555 (outside Australia)   |
|  <b>By Mail</b> | Computershare Investor Services Pty Ltd<br>GPO Box 242<br>Melbourne VIC 3001   |

so that they are received at least 48 hours before the time for holding the meeting (being no later than 11.30 a.m. Adelaide time on Tuesday, 23 October 2018).

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Glossary in section 8 of the Explanatory Notes.

## AGENDA

### Ordinary business

#### DISCUSSION OF FINANCIAL STATEMENTS

To receive and consider the annual financial report, the directors' report and the auditor's report for the year ended 30 June 2018.

*Note: there is no vote on this item.*

#### 1. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following motion as a non-binding **ordinary resolution**:

*'That the Remuneration Report, as set out in the Annual Report for the Company and its controlled entities for the financial year ended 30 June 2018, be adopted'.*

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

#### Voting exclusion statement for Resolution 1

There are restrictions on who can vote in respect of any resolution to approve the Remuneration Report. A vote on this resolution must not be cast, and the Company will disregard any votes cast (in any capacity), by or on behalf of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, these restrictions will not apply to a vote cast as proxy for a person entitled to vote if:

- it is cast in accordance with a direction on the proxy form specifying how the proxy is to vote on the resolution; or
- it is cast by the person chairing the meeting and the appointment expressly authorised the chair to exercise the proxy even if the proposed resolution is connected directly or indirectly with the remuneration of the Key Management Personnel of the Company.

#### 2. ELECTION OF DIRECTOR – MS KATRINA DOYLE

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

*'That Ms Katrina Doyle, who was appointed as an addition to the Board since the last Annual General Meeting of the Company and who retires in accordance with ASX Listing Rule 14.4 and Article 6.3(i) of the Company's Constitution, be elected as a Director of the Company'.*

#### 3. RE-ELECTION OF DIRECTOR – MR RAYMOND BLIGHT

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

*'That Mr Raymond Blight, who retires as a Director in accordance with ASX Listing Rule 14.4 and Article 6.3(b) of the Company's Constitution at the conclusion of this Meeting, be re-elected as a Director of the Company'.*

#### 4. RE-ELECTION OF DIRECTOR – MR NICK DIGNAM

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

*'That Mr Nick Dignam, who retires as a Director in accordance with ASX Listing Rule 14.4 and Article 6.3(b) of the Company's Constitution at the conclusion of this Meeting, be re-elected as a Director of the Company.'*

#### Special business

#### 5. APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following motion as a **special resolution**:

*'That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.'*

#### **Voting exclusion statement for Resolution 5**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under Resolution 5, except a benefit solely by reason of being a holder of ordinary securities in the Company, and any associates of any such person.

However, in relation to Resolution 5, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### 6. ADOPTION OF EQUITY INCENTIVE PLAN

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

*'That, for the purposes of Exception 9 of Listing Rule 7.2 and for all other purposes, approval is given for the Alcidion Group Limited Equity Incentive Plan, the terms which are summarised in Schedule 1 of the Explanatory Memorandum to this Notice of Annual General Meeting, and to issue Equity Securities under the Alcidion Group Limited Equity Incentive Plan during the 3 years following the date of the Annual General Meeting at which this Resolution is passed.'*

#### **Voting exclusion statement for Resolution 6**

The Company will disregard any votes cast in favour of Resolution 6 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and an associate of a Director (except where such Director is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote on Resolution 6, if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, for the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, if the person is either:

- a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
- a Closely Related Party of such a member;

and the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- the person is the Chairman of the Meeting at which the Resolution is voted on; and
- the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 6. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 6, in which case an ASX announcement will be made.

In appointing the Chairman as proxy, Shareholders may also choose to direct the Chairman to vote against Resolution 6 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## **OTHER BUSINESS**

To transact any other business that may be brought forward in accordance with the Company's Constitution.

\* \* \*

The Explanatory Notes attached to this Notice form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Notes.

By order of the Board.



Duncan Craig  
Chief Financial Officer and Company Secretary  
13<sup>th</sup> September 2018

# Proxies and Voting

## **Determination of Shareholders' Right to Vote**

For the purposes of this meeting, Shares will be taken to be held by persons who are registered as Shareholders as at 7.00 p.m. Sydney time on Tuesday, 23 October 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the meeting.

## **Voting in Person**

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

## **Voting by Corporate Representative**

Body corporate Shareholders should complete an "Appointment of Corporate Representative" form to enable a person to attend the meeting on their behalf. This form can be obtained from Computershare's website at <https://www-au.computershare.com/Investor/help/printableforms>.

## **Appointment of a proxy**

A Shareholder entitled to vote at the Meeting may appoint not more than two proxies to attend and vote at the Meeting on that Shareholder's behalf. A proxy need not be a Shareholder of the Company.

A Shareholder who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the Meeting. If you appoint two proxies, you may specify the proportion of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the Shareholder's voting rights.

If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. However, unless the proxy is required by law to vote, the proxy may decide not to vote on that item. All directed proxies that are not voted on a poll at the Meeting will automatically default to the Chairman, who is required to vote the proxies as directed. Any undirected proxies on a given resolution may be voted on by the appointed proxy as they choose, subject to voting exclusions as described previously.

In the case of Shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those Shares.

## Lodging a proxy form

To be effective, the completed proxy form, together with any relevant power of attorney, must be received by the Share Registry not less than 48 hours before the time for holding the meeting, which is 11.30 a.m. Adelaide time on Tuesday, 23 October 2018.

The proxy form can be returned in the following ways:

-  **Online** [www.investorvote.com.au](http://www.investorvote.com.au)  
Or for Intermediary Online subscribers only (custodians)  
[www.intermediaryonline.com](http://www.intermediaryonline.com)
  
-  **By Fax** 1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)
  
-  **By Mail** Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne VIC 3001

A proxy form accompanies this Notice of Annual General Meeting.

# Explanatory Notes

These are the Explanatory Notes accompanying the Notice of Annual General Meeting ('AGM') for Alcidion Group Limited ACN 143 142 410 ('Alcidion' or 'Company') to be held on Thursday, 25 October 2018 at 11.30 a.m., Adelaide time at The Science Exchange, 55 Exchange Place, Adelaide, South Australia, 5000.

Information relevant to the business to be considered at the Annual General Meeting is provided in these Explanatory Notes and Shareholders should read this document in full.

## 1 Annual Report

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The Annual Report for consideration at the AGM will consist of the financial statements of the Company for the financial year ended 30 June 2018, the notes to those financial statements, the Directors' Report, the Directors' declaration and the auditor's report including their Independence Statement.

The annual report is available at the ASX's website at [www.asx.com.au](http://www.asx.com.au) using ASX ticker code 'ALC'.

Neither the *Corporations Act 2001* (Cth) ('Corporations Act') nor the Company's constitution requires the Shareholders to vote on the financial statements or the accompanying reports. However, Shareholders will be given the opportunity to raise questions or comments on the financial statements at the Meeting. In addition, Shareholders will be given the opportunity to ask the Company's auditor, William Buck, questions relevant to the conduct of the audit, the independence of the auditor, the Company's accounting policies and the preparation and content of the auditor's report.

## 2 Resolution 1: Adoption of Remuneration Report

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### 2.1 Background

The Remuneration Report contained in the 2018 Annual Report is required to be considered by Shareholders in accordance with section 250R of the Corporations Act. The Remuneration Report, which details the Company's policy on remuneration of non-executive directors, executive directors and key executives is set out on Pages 23 to 28 of the Annual Report.

The vote on the adoption of the Remuneration Report is advisory only and is not binding. However, the Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies and practices.

Further, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second AGM on a 'Board spill resolution' to determine whether another meeting should be held within 90 days at which all of the Company's Directors must stand for re-election.

At the Company's previous Annual General Meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, the 'Board spill resolution' is not relevant for this Meeting.



## **2.2 Directors' Recommendation**

The Board recommends that Shareholders vote in favour of the Remuneration Report. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

## **3 Resolution 2: Election of Ms Katrina Doyle as a Director**

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### **3.1 Background**

In accordance with ASX Listing Rule 14.4 and Article 6.2(i) of the Company's Constitution, Ms Katrina Doyle will retire at the Annual General Meeting and, being eligible, will offer herself for election.

Ms Katrina Doyle was appointed as a Director, and as CEO, of the Company on 3 July 2018.

Ms Doyle has more than 25 years of experience in the healthcare information sector. Prior to becoming a Director and CEO of the Company she was one of five working directors for MKM Health, based in Victoria. She has been involved in large systems procurements and implementations across Australia and Asia Pacific.

Ms Doyle's background involves holding leading management roles at some of the largest healthcare software firms. She was a member of the management buyout team that created iSOFT Asia Pacific through a merger with iSOFT plc in the UK in 1999, from the healthcare product business at Computer Sciences Corporation (CSC). Prior to that, she held senior account roles in CSC (now DXC), managing large outsourcing customers and the NSW Healthcare Business unit.

Ms Doyle initially commenced work in the private sector at McDonnell Douglas Information Systems managing the HOMER product portfolio, after working with the Alfred Group of Hospitals in a Health Information Management role. She has a Bachelor of Applied Science in Health Information Management. She is also actively involved in the not for profit sector in preventing childhood obesity where she has served as a Board Member of the Stephanie Alexander Kitchen Garden Foundation for 10 years.

As CEO and Director of the Company, Ms Doyle leads the various elements of the business with a particular focus on sales and marketing and developing business relationships with customers and partners across the world. She has developed a number of business partnerships with leading software vendors such as Nextgate and Orion Health. She has a strong track record in business development in healthcare IT across Asia Pacific and has been involved in selling state-wide contracts for IT systems to all Australian states and territories.

### **3.2 Directors' Recommendation**

The Directors (other than Ms Doyle, who makes no recommendation) unanimously recommend that Shareholders approve Resolution 2 for the election of Ms Doyle as a Director of the Company. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

## **4 Resolution 3: Re-election of Mr Ray Blight as a Director**

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### **4.1 Background**

In accordance with ASX Listing Rule 14.4 and Article 6.3(b) of the Company's Constitution, Mr Ray Blight will retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

Mr Ray Blight was appointed as a Director on 21 December 2015.

Mr Blight is the co-founder of Alcidion Corporation, was previously Chairman and Chief Executive of Alcidion Corporation and is currently Executive Chairman of the Company. He brings a wealth of public and private sector healthcare experience and knowledge to Alcidion including previous roles of the Chief Executive Officer and Chairman of the South Australian Health Commission from 1994 – 1998, Chair of the Australian Health Ministers' Advisory Council and World Bank health consultant. He is the recently appointed Board Chair for the Northern Adelaide Local Health Network which provide state health services for 400,000 people, and is a Director of the MedDev SA Alliance, a state funded industry development cluster. Mr Blight's qualifications include the awards of Bachelor of Technology (Electronics), Bachelor of Economics and Masters of Business Management from the University of Adelaide. He is a fellow of the Institution of Engineers and the Australian Institute of Company Directors

### **4.2 Directors' Recommendation**

The Directors (other than Mr Blight, who makes no recommendation) unanimously recommend that Shareholders approve Resolution 3 for the re-election of Mr Blight as a Director of the Company. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

## **5 Resolution 4: Re-election of Mr Nick Dignam as a Director**

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### **5.1 Background**

In accordance with ASX Listing Rule 14.4 and Article 6.3(b) of the Company's Constitution, Mr Nick Dignam will retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

Mr Nick Dignam was appointed as a Director on 21 December 2015.

Mr Dignam is an Investment Director at Blue Sky Private Equity and is responsible for originating new investment opportunities, working with portfolio companies to deliver growth and managing exit processes. Mr Dignam has more than ten years' experience working in private equity and corporate finance roles. In addition to serving as a Director of the Company, Mr Dignam is also currently a Non-Executive Director representing Blue Sky on a number of Boards of investee companies including Better Medical, a group of medical centres across South Australia and Tasmania; Wild Breads, a leading producer of artisan breads; and GM Hotels, a portfolio of ten hotels in South Australia. Mr Dignam holds a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland, and a Masters of Applied Finance from Queensland University of Technology.

### **5.2 Directors' Recommendation**

The Directors (other than Mr Dignam, who makes no recommendation) unanimously recommend that Shareholders approve Resolution 4 for the re-election of Mr Dignam as a Director of the Company. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

## 6 Resolution 5: Approval of 10% Placement Capacity

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### 6.1 Background

ASX Listing Rule 7.1A enables an Eligible Entity to seek member approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity ('**10% Placement Capacity**').

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of equal to or less than \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and had a market capitalisation (excluding restricted securities) at the close of business on the date of this Notice of \$37.06million, based on a Share price of \$0.046.

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being fully paid ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid shares in the Company that became fully paid in the previous 12 months;
- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and
- (d) less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under ASX Listing Rules 7.1 or 7.4.

## 6.2 Technical Information Required by ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

### *Minimum Price*

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed ('**Agreed Issue Date**'); or
- (b) if the Equity Securities are not issued within 5 ASX trading days of the Agreed Issue Date, the date on which the Equity Securities are issued.

### *Date of Issue*

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of this Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX.

### *Risk of dilution*

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of Shareholders who do not receive Equity Securities under the issue.

The table below seeks to demonstrate the potential dilution of existing Shareholders resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in ASX Listing Rule 7.1A(2). The table does this by setting out the potential number of Shares issued and funds raised on the basis of:

- (a) the current number of Shares on issue;
- (b) the number of Shares on issue changing (variable 'A' in the formula); and
- (c) a variation in the issue price of the Shares (noting that Shares may only be issued at up to a 25% discount based on the volume weighted average price of the Shares calculated over the 15 ASX trading days preceding the issue).

VOTING DILUTION				
Number of Shares on issue (Variable A)	Dilution variable	\$0.023 (50% decrease in current Share price)	\$0.046 (current Share price)	\$0.069 (50% increase to current Share price)
805,671,138 (Current)	Additional 10% Shares issued	80,567,113	80,567,113	80,567,113
	Funds raised	\$1,853,044	\$3,706,087	\$5,559,131
1,208,506,707 (50% increase)*	Additional 10% Shares issued	120,850,670	120,850,670	120,850,670
	Funds raised	\$2,779,565	\$5,559,131	\$8,338,696
1,611,342,276 (100% increase)*	Additional 10% Shares issued	161,134,227	161,134,227	161,134,227
	Funds raised	\$3,706,087	\$7,412,174	\$11,118,262

\* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that does not require Shareholder approval (such as under a pro-rata rights issue) or an issue of Shares with Shareholder approval under Listing Rule 7.1.

The table on above uses the following assumptions:

1. The current number of Shares on issue is the Shares on issue as at the date of this Notice.
2. The current issue price is the closing price of the Shares on the ASX on day prior to the date of this Notice.
3. No Options or Class B Contingent Share Rights are converted into Shares before the date of issue of the Equity Securities under the 10% Placement Capacity.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. 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.
5. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (a) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (b) 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.

### ***Purpose of Issue under 10% Placement Capacity***

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes including the following:

- (a) to raise cash as consideration for the acquisition of or investment in assets or businesses (including expenses associated with such acquisitions), continued expenditure on the Company's current assets and general working capital; or
- (b) as non-cash consideration for the acquisition of or investment in assets or businesses, and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

### ***Allocation under the 10% Placement Capacity***

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

### ***Previous approval under ASX Listing Rule 7.1A***

The Company obtained approval under ASX Listing Rule 7.1A at its 2017 Annual General Meeting.

The table below shows the total number of Equity Securities issued in the past 12 months preceding the date of this Meeting and the percentage those issues represent of the total number of Equity Securities on issue at the commencement of the 12 month period.

Equity Securities issues in the prior 12 month period	197,891,181
Percentage previous issues represent of total number of Equity Securities on issue at the commencement of the 12 month period	25.83%

The table below shows the specific details for the issue of Equity Securities that has taken place in the 12 month period preceding the date of this Meeting.

Date of issue	3 July 2018
Number issued	197,891,181
Class and type of security	Ordinary shares
Parties who received securities or basis on which those parties were determined	Vendors of shares in MKM Health Pty Ltd and Patientrack Holdings Limited
Price	Deemed issue price of \$0.05050
Discount to market (if any)	Nil
Total cash consideration paid	Nil
Amount of cash consideration spent	Not applicable
Intended use for remaining cash (if any)	Not applicable
Non-cash consideration paid	Shares in MKM Health Pty Ltd and Patientrack Holdings Limited
Current value of that non-cash consideration	\$9,993,504.6405

### 6.3 Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of a special resolution at the Meeting.

### 6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

### 6.5 Directors' Recommendation

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

The Chairman of the Meeting will be casting undirected proxies in favour of Resolution 5.

## 7 Resolution 6: Approval of Equity Incentive Plan

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### 7.1 General

The Alcidion Group Limited Equity Incentive Plan is designed to:

- (a) assist in the reward, retention and motivation of full or part-time employees or directors of group companies or Contractors or Casual Employees (as defined in the Alcidion Group Limited Equity Incentive Plan) ('Eligible Employees');

- (b) link the reward of Eligible Employees to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
- (d) provide Eligible Employees with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Employees to focus on the Company's longer term goals.

The Directors of the Company seek authorisation to issue securities under the Alcidion Group Limited Equity Incentive Plan in accordance with Listing Rule 7.2, Exception 9(b).

ASX Listing Rule 7.1 provides that, without shareholder approval, a company must not issue or agree to issue new Equity Securities constituting more than 15% of its total ordinary shares on issue within a twelve month period, excluding any issue approved by shareholders.

An exception to ASX Listing Rule 7.1 is Exception 9(b), which applies where there is an issue of Equity Securities under an employee incentive scheme if, within three years before the date of issue, holders of ordinary securities have approved the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

The Board has the power to establish and to generally issue Options, Performance Rights or Shares under the Alcidion Group Limited Equity Incentive Plan. Options and Performance Rights are rights to acquire ordinary shares in the Company, subject to satisfaction of specified vesting conditions in a specified performance period (and, in respect of Options, subject to paying the applicable exercise price for the Option).

The Board considers it prudent to seek shareholder approval so that such issues will not be taken into account for the purposes of the 15% limit under Listing Rule 7.1. The Board considers it desirable to maintain this flexibility to access capital through subsequent issues as required.

Under the Alcidion Group Limited Equity Incentive Plan and pursuant to the ASX Listing Rules, shareholder approval will be required in relation to the offer or issues of Equity Securities to Directors or other related parties and details of such offers will be required to be disclosed.

Alcidion currently has no intention to issue any Equity Securities to Directors under the Alcidion Group Limited Equity Incentive Plan.

## **7.2 Administration of the Alcidion Group Limited Equity Incentive Plan**

The Alcidion Group Limited Equity Incentive Plan (a summary of which is set out in Schedule 1) is administered by the Board. The Board determines which Eligible Employees will be offered the opportunity to participate in the Alcidion Group Limited Equity Incentive Plan and the terms of those offers.



In accordance with ASIC Class Order 14/1000 ('Class Order'), where an offer of Options, Performance Rights or Shares is made under the Alcidion Group Limited Equity Incentive Plan in reliance on the Class Order, the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or in respect of Options or Performance Rights, the total number of Shares that would be issued if those Options, Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Alcidion Group Limited Equity Incentive Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

### **7.3 Terms of the Alcidion Group Limited Equity Incentive Plan and Information required by the ASX Listing Rules**

In accordance with Listing Rule 7.2, Exception 9(b), a summary of the Alcidion Group Limited Equity Incentive Plan is set out in Schedule 1.

A full copy of the Alcidion Group Limited Equity Incentive Plan is available for inspection at the Company's registered office until the date of the Meeting.

No Shares, Options or Performance Rights have been issued under the Alcidion Group Limited Equity Incentive Plan as at the date of this Notice.

### **7.4 Requirement for Shareholder Approval**

Resolution 6 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the issue of:

- (a) Shares;
- (b) Options; and/or
- (c) Performance Rights,

as an exception to ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Exception 9(b) of ASX Listing Rule 7.2 provides that a company may make an issue of securities under an employee incentive scheme (such as the Alcidion Group Limited Equity Incentive Plan) if, within three years before the date of issue, holders of ordinary securities in the company have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will have the ability to issue securities to eligible participants under the Alcidion Group Limited Equity Incentive Plan over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Alcidion Group Limited Equity Incentive Plan. A voting exclusion statement has been included for the purposes of Resolution 6.

## **7.5 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## **7.6 Voting**

Note that a voting exclusion applies to Resolution 6 in the terms set out in the Notice of Meeting.

In particular, Directors (except one who is ineligible to participate in the Alcidion Group Limited Equity Incentive Plan) and their associates may not vote in favour of this Resolution and may not cast a vote as proxy (and Restricted Voters may not cast a vote as proxy), unless the appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Please note that if the Chairman of the Meeting is your proxy (or becomes your proxy by default), and you do not mark the voting box for Resolution 6, you expressly authorise the Chairman to exercise your proxy on Resolution 6 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chairman. If you appoint the Chairman as your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 6 by marking the appropriate box on the proxy form.

The Chairman intends to use any such undirected proxies to vote in favour of the Resolution.

In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 6, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

## 8 Glossary

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In these Explanatory Notes and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires.

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<b>Term</b>	<b>Meaning</b>
<b>Board</b>	the board of Directors of the Company
<b>Closely Related Party</b>	of a member of the Key Management Personnel for an entity means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependant of the member or of 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 dealings with the entity; (e) a company the member controls; or (f) a person prescribed as such by the <i>Corporations Regulations</i> 2001 (Cth);
<b>Company</b>	Alcidion Group Limited (ACN 143 142 410)
<b>Corporations Act</b>	the <i>Corporations Act</i> 2001 (Cth)
<b>Director</b>	a Director of the Company
<b>Eligible Entity</b>	has the meaning given in section 6.1 of the Explanatory Notes
<b>Equity Securities</b>	includes a Share, an Option, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company)
<b>Meeting</b>	the meeting of shareholders convened by the Notice
<b>Notice</b>	the notice of meeting to which these Explanatory Notes are attached and form part

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<b>Term</b>	<b>Meaning</b>
<b>Option</b>	an option to acquire a Share
<b>Performance Right</b>	has the meaning given to that term in Schedule 1 to this Notice
<b>Remuneration Report</b>	the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018
<b>Restricted Voter</b>	Key Management Personnel and their Closely Related Parties as at the date of the Meeting
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Share Registry</b>	Computershare Investor Services Pty Ltd
<b>Shareholder</b>	a holder of Shares

## SCHEDULE 1 – SUMMARY OF EQUITY INCENTIVE PLAN

The Company has established the Alcidion Group Limited Equity Incentive Plan. The full terms of the Alcidion Group Limited Equity Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Alcidion Group Limited Equity Incentive Plan ('Plan') is set out below.

### 1 Awards

- (a) Under the Plan, Participants (as defined below) will be granted incentive awards ('Awards') which may comprise:
  - (i) shares, issued at a price determined by the Board in their sole and absolute discretion, subject to any vesting conditions ('Shares'); and/or
  - (ii) options, issued at a price determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to any vesting conditions ('Options'); and/or
  - (iii) performance rights, issued at a price determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions ('Performance Rights').
- (b) Awards may have grant conditions. Subject to those grant conditions being satisfied, all Awards will be granted subject to the satisfaction of vesting conditions (if any) as determined by the Board in its sole and absolute discretion.

### 2 Eligibility

- (a) At the discretion of the Board, a person who is:
  - (i) a full time or part time employee or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the Company, a body corporate that has voting power in the Company of not less than 20% or a body corporate in which the Company has voting power of not less than 20%) ('Group Company');
  - (ii) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
  - (iii) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company, where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company,

is permitted to participate in the Plan.

- (b) People eligible to participate in the Plan are called '**Eligible Employees**'. The Board may permit an Award the subject of an offer under the Plan ('**Offer**') to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) ('**Nominated Party**').
- (c) A '**Participant**' is an Eligible Employee or Nominated Party to whom an Award has been granted.

### 3 Payment For Awards

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

### 4 Limits on Number of Awards Granted

- (a) Under the Plan rules, where an Offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the Offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (b) As at the date of the Notice there are 805,671,138 existing Shares on issue, and no Shares have been or may be issued as a result of offers made in the 3 years prior to the date of the Notice under any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, resulting in a maximum of 40,283,556 Shares available to be issued in respect of grants of Awards under the Plan in reliance on ASIC Class Order 14/1000 (as at the date of the Notice).
- (c) This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making Offers under the Plan.

### 5 Entitlements of Participants

- (a) Notice of meeting
  - (i) Unless otherwise resolved by the Board when it makes an Offer, and subject to the terms of issue, a Participant who holds Shares is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the Offer.

- (ii) Subject to the Corporations Act and the Company's constitution, a Participant will not, as a holder of an Option or a Performance Right, have any right to attend or vote at general meetings of holders of Shares.

(b) Dividends

- (i) The Board may determine, at the time of an Offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).
- (ii) Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

(c) Changes in capital

- (i) Unless otherwise resolved by the Board when it makes an Offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights issue, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights issue will be subject to the Plan as if those shares were Shares issued under the Offer made to the Participant.
- (ii) Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.
- (iii) In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the Offer to a Participant as the Board deems appropriate.
- (iv) If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.
- (v) If the Company makes a pro rata issue (except a bonus issue) the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.
- (vi) If the Company makes a bonus issue the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue.
- (vii) If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

## 6 Dealing, Vesting, Exercise and Allotment

### (a) Dealing

- (i) Participants must not dispose of, grant (or attempt to grant) any security interest in or over, or otherwise deal with (or attempt to dispose or deal with) an Award unless:
  - (A) in respect of a Share, it is in compliance with the terms of the Offer and any Share vesting conditions; and
  - (B) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (ii) While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.
- (iii) Unless otherwise decided by the Board, where a Participant purports to Deal with an Option or Performance Right other than in accordance paragraph 6(a)(i)(B) above, the Option or Performance Right immediately lapses.
- (iv) If restricted by applicable law or the Company's Securities Trading Policy, a Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested Shares, or to any Options or Performance Rights.

### (b) Vesting

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

### (c) Exercise

- (i) Vested Options and Performance Rights can only be exercised between the '**First Exercise Date**' (being the date of issue of the Award or such other date as is specified in the Offer or otherwise determined under the Plan rules) and up until the date that is two years after the First Exercise Date, or such other date specified in the Offer or such other date as the Award lapses under the Plan rules ('**Last Exercise Date**').
- (ii) The exercise price (if any) per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.



- (iii) Unless the terms of the relevant Offer states otherwise, the vesting of an Award with a nil exercise price (which does not include Options) will automatically trigger the exercise of the Award on the satisfaction of its vesting conditions without the need for any action on the part of the Participant.
- (d) Allotment of Shares on Exercise of Options or Performance Rights
  - (i) If Options or Performance Rights are exercised in accordance with the Plan rules, the Company will (subject to the rules of the Plan and the Listing Rules (if relevant)), within 15 Business Days of such exercise, issue or transfer to the Participant the Shares credited as being fully paid in respect of which the Options or Performance Rights are exercised.
  - (ii) The Company may extend the allotment date, where withholding obligations apply to the Participant and the Shares are not permitted to be sold on the allotment date in order to fund any withholding obligations, such that the issue of Shares may give rise to financial hardship to the Participant, or where the issue of Shares would trigger a requirement to lodge a cleansing notice under section 708A(6) of the Corporations Act in order for those Shares to be exempt from the on-sale provisions of the Corporations Act, and such lodgement would require the Company to disclose information being held back from disclosure under Listing Rule 3.1A at a time when the Board considers it to be detrimental for the Company to disclose such information.
- (e) Trustee

The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares or other securities of the Company either on behalf of Participants or for the purposes of the Plan. Unless the Board determines otherwise, Participants have no rights in respect of Shares or other securities held by a trustee unless and until their Awards vest.

## 7 Lapse of Awards

- (a) Subject to the Board's discretion and to paragraph 9 below, if a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), or is dismissed from employment, engagement or office for cause or poor performance, or ceases to be employed or engaged in any other circumstance determined by the Board to be a "bad leaver" event:
  - (i) unvested Shares will be forfeited;
  - (ii) unvested Options and Performance Rights will lapse;
  - (iii) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment, engagement or office.

- (b) If a Participant's employment, engagement of office with a Group Company ceases in any other circumstances, unless the Board determines different treatment is warranted:
  - (i) unvested Shares will be forfeited;
  - (ii) unvested Options and Performance Rights will lapse; and
  - (iii) vested Options and Performance Rights that have not been exercised will continue to force and remain exercisable, until the last exercise date determined by the Board or the Plan.
- (c) In addition to the circumstances set out above, unless otherwise specified in the vesting conditions or determined otherwise by the Board, an Option or a Performance Right lapses on the earlier of:
  - (i) the Board determining that any applicable vesting condition has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
  - (ii) the day immediately following the Last Exercise Date; or
  - (iii) the Option or Performance Right lapsing as described in paragraphs 6 and 9.

## **8 Forfeiture**

- (a) Unvested Shares will be forfeited on the earlier of:
  - (i) the Board determining that any applicable vesting condition has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
  - (ii) the Shares being forfeited under the Plan provisions dealing with cessation of employment, breach, fraud or misconduct; or
  - (iii) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law or the Company's Securities Trading Policy.
- (b) Vested Shares can also be forfeited under Rule 23 (Clawback) of the Plan (summarised in paragraph 11 below).
- (c) The Company must (in accordance with its rights as attorney for the Participant):
  - (i) sell forfeited Shares in the ordinary course of trading on ASX;
  - (ii) buy back and cancel the forfeited Shares; or
  - (iii) deal with the forfeited Shares in any other manner determined by the Board from time to time, subject to complying with the Corporations Act.
- (d) Unless specified otherwise in an Offer, no consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

## **9 Breach, Fraud or Misconduct**

If the Board determines that a Participant (or Eligible Employee) has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been convicted on indictment for an offence under applicable law;
- (c) had civil judgement entered against them in respect of duties at law, in equity or under statute in the capacity as an executive or Director of a Group Company;
- (d) committed fraud, defalcation or gross misconduct; or
- (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (f) unvested Shares will be forfeited; and/or
- (g) unvested Options and Performance Rights will lapse.

## **10 Change of Control Events**

On the occurrence of a Change of Control Event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest;
- (b) Event bringing forward the First Exercise Date; and/or
- (c) reducing or waiving vesting conditions.

## **11 Clawback**

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Board may:

- (a) cancel the affected Options or Performance Rights for no consideration or treat the Shares as forfeited;
- (b) require the Participant pay the Company the after tax value of the affected Shares, Options or Performance Rights within 30 business days;
- (c) declare that the relevant affected Shares, Options or Performance Rights are unvested; or
- (d) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Shares, Options or Performance Rights.

## 12 Amendments to Terms of Exercise or the Plan

- (a) The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a materially prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.
- (b) The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be materially reduced or materially adversely affected without the prior written approval of the affected Participant.

## 13 Taxation

- (a) An Offer made to a Participant that is subject to taxation of Awards in Australia will specify whether subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to that Offer.
- (b) If the Company is required to withhold or account for any tax or social security contributions (in any jurisdiction) for which a Participant may be liable because of the grant of an Award, issue or transfer of Shares, payment of cash, or the vesting or exercise of an Award (the '**Amount**'), the Company, related body corporate, or trustee may in its discretion and subject to obtaining any necessary ASIC relief withhold up to the Amount from any cash payment, and/or withhold a number of Shares which would otherwise be provided to the Participant and sell them in order to realise the Amount (with any excess received over the Amount net of costs of sale being paid to the Participant).

## 14 Additional provisions relating to UK and NZ Participants

- (a) Where:
  - (i) a Participant is subject to taxation in respect of Awards in the United Kingdom or is, or its connected Eligible Employee is, subject to United Kingdom employment laws ('**UK Participant**'); or
  - (ii) a Participant is subject to taxation in respect of Awards in New Zealand or is made an offer of Awards in New Zealand ('**NZ Participant**'),the terms of any Offer of Awards will include certain additional provisions set out in Schedule 1 to the Plan ('**UK Requirements**') or Schedule 2 to the Plan ('**NZ Requirements**'), as applicable, to the extent those requirements are applicable to the issue of the Awards.
- (b) The UK Requirements deal with matters such as the relationship of the Plan to the Eligible Employee's employment, compliance with data privacy rules and United Kingdom taxation.
- (c) The NZ Requirements deal with matters such as compliance with relevant New Zealand securities law exemptions and New Zealand taxation.
- (d) The UK Requirements and the NZ Requirements do not displace the requirements of the Plan or the terms of any Offer with respect to the operation of the Corporations Act (including ASIC Class Order 14/1000 (or any amendment or replacement of it), where applicable) or the Listing Rules, and any Offer made to a UK Participant or NZ Participant must be made on such terms so that the Offer is capable of compliance with each of the Corporations Act, the Listing Rules and the UK Requirements or NZ Requirements (as applicable).



# ALCIDION

**Alcidion Group Limited**  
ABN 77 143 142 410

## Lodge your proxy form:

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

## Proxy Form

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<p><b>Lodge your proxy form and view the annual report online</b></p> <ul style="list-style-type: none"> <li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li> <li>• Follow the instructions on the secure website to lodge your proxy form.</li> </ul>	
<p><b>Your access information that you will need to lodge your proxy form:</b></p> <p><b>Control Number:</b></p> <p><b>SRN/HIN:</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

**For your proxy form to be effective it must be received by 11:30am (Adelaide time) Tuesday 23 October 2018**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO LODGE YOUR PROXY FORM,  
or turn over to complete the form →**

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Alcidion Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Alcidion Group Limited to be held at The Science Exchange, 55 Exchange Place, Adelaide, South Australia, 5000 on Thursday, 25 October 2018 at 11.30am (Adelaide time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 1 and 6** (except where I/we have indicated a different voting intention below) even though **Resolutions 1 and 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolutions 1 and 6** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Ms Katrina Doyle as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Raymond Blight as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Mr Nick Dignam as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

5 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_