



Healthia Limited

ACN 626 087 223

Notice of Annual General Meeting
and
Explanatory Notes

The Annual General Meeting (AGM) will be held at:

TIME	11:00am (Brisbane Time)
DATE	Wednesday, 20 November 2019
WHERE	Offices of Colin Biggers & Paisley, Level 35, 1 Eagle Street Brisbane QLD

If you are unable to attend the Meeting, we encourage you to complete and return the enclosed Proxy Form by no later than **11:00am (Brisbane time) on Monday, 18 November 2019**.

Information to assist Shareholders to complete the Proxy Form and details of where to send the completed Proxy Form can be found on page 3 of the Notice under the heading "Appointment of Proxies".

The accompanying Explanatory Notes which start on page 9 provide information about the items of business, voting, a summary of important information and Defined Terms and form part of this Notice and should be read in conjunction with it.

The Notice of Annual General Meeting, Explanatory Notes and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisor prior to voting.

INVITATION FROM THE CHAIRMAN



Dear Fellow Shareholder,

On behalf of the Directors of Healthia Limited (HLA), I am pleased to invite you to attend the 2019 Annual General Meeting (AGM). Enclosed is the Notice of Meeting setting out the business of the AGM.

Our AGM will be held on Wednesday, 20 November 2019 commencing at 11.00 am (Brisbane time) at Level 35, 1 Eagle Street, Brisbane. Registration will be available from 10.00am.

A Voting/Proxy Form is included in this information pack. The form contains a barcode to assist you with the registration process at the AGM. If you attend the AGM, please bring the barcoded form with you. If you are not attending the AGM, the form allows you to appoint a proxy to vote on your behalf. Please refer to the Notes to the Notice of Meeting and the Voting/Proxy Form for more information.

The AGM is an important part of HLA's overall approach to governance and shareholder engagement. You will have the opportunity to speak with your Directors and leaders, ask questions about the management and operations of your company and vote on the items of business. We welcome shareholders to submit written questions ahead of the AGM in the manner set out in the Notes to the Notice of Meeting.

Thank you for your continued support of HLA and I look forward to your attendance and the opportunity to meet with you.

Yours sincerely,

Glen Richards
Chairman
Healthia Limited

Notice of Annual General Meeting

Notice is given that the Annual General meeting of Healthia Limited ACN 626 087 223 (Company) will be held at the offices of Collin, Biggers and Paisley, Level 35, 1 Eagle Street Brisbane, on Wednesday 20 November 2019, commencing at 11.00am (Brisbane time).

ITEMS OF BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's Annual Report, incorporating the Directors' Report, Financial Report and the Independent Audit Report for the Company and its controlled entities, for the financial year ended 30 June 2019.

Note: There is no requirement for shareholder to approve these reports.

2. RE-ELECTION OF DIRECTORS

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

- (a) *"That Mr Darren Stewart, who retires as a Director in accordance with the Company's Constitution and, being eligible, be re-elected as a Director of the Company".*
- (b) *"That Mr Paul Wilson, who retires as a Director in accordance with the Company's Constitution and, being eligible, be re-elected as a Director of the Company".*

Note: Information about the candidates appears in the accompanying Explanatory Notes.

3. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution in accordance with Section 250R (2) of the Corporations Act:

"That the Remuneration Report for the year ended 30 June 2019 (as set out in the Directors' Report), be adopted."

Note: A voting exclusion statement applies to the resolution for Item 3. Further details of this exclusion are set out in the accompanying Notes.

4. APPROVAL OF PERFORMANCE RIGHTS PLAN

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

"That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the issue of securities pursuant to the Company's Performance Rights Plan on the terms set out in the Explanatory Notes accompanying this Notice."

Note: A voting exclusion statements applies to the resolution for Item 4. Further details of this exclusion are set out in the accompanying Notes.

5. APPROVAL OF A GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS UNDER THE PERFORMANCE RIGHTS PLAN

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

- (a) *"That pursuant to Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 172,463 Performance Rights to Wesley Coote, Managing Director, and the issue of up to 172,463 Shares upon the exercise of those Performance Rights, subject to Vesting and Service Conditions as set out in the Explanatory Notes."*
- (b) *"That pursuant Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 128,115 Performance Rights to Anthony Ganter, Chief Executive Officer, Physiotherapy, and the issue of up to 128,115 Shares upon the exercise of those Performance Rights, and subject to Vesting and Service Conditions as set out in the Explanatory Notes."*

Note: A voting exclusion statements applies to the resolution for Item 5. Further details of this exclusion are set out in the accompanying Notes.

GENERAL BUSINESS

In accordance with the Corporations Act, a reasonable opportunity will be provided for the shareholders at the meeting to ask questions and to make comments on Company matters that are the subject of the Meeting. Shareholders may direct questions during the meeting to the chairman about the operations and management of the Company or to the Company's auditor about the content of the auditor's report and the conduct of the audit.

BY ORDER OF THE BOARD OF DIRECTORS



CHRISTOPHER BANKS
COMPANY SECRETARY
18 OCTOBER 2019

AFTER THE MEETING

After the Meeting, all Shareholders are invited to join the Directors and Management for light refreshments

EXPLANATORY NOTES ACCOMPANY AND FORM PART OF THIS NOTICE OF MEETING. SHAREHOLDERS SHOULD READ THESE DOCUMENTS IN FULL.

Notes

These Notes and the accompanying Explanatory Notes form part of this Notice of Meeting.

1. SHAREHOLDERS

The Company has determined that for the purpose of voting at the Meeting, shares in the Company will be taken to be held by those people recorded on the Company's register of shareholders at 7.00pm on 18 November 2019 (Sydney time.) This means that any Shareholder registered at 7.00pm (Sydney Time) on 18 November 2019 is entitled to attend and vote at the Annual General Meeting.

Restrictions apply on the eligibility of certain people to vote on particular items of business. The Company has set out the applicable voting exclusions for the relevant item of business in the Explanatory Notes.

2. HOW TO REGISTER

You must register to vote at the AGM. The registration desk will be open from 10.00 am Brisbane time and we ask that you arrive at least 30 minutes before the meeting commences to allow enough time to complete registration. To make the registration process quicker, please bring your proxy form to the meeting so we can scan the personalised barcode to register your attendance.

3. HOW TO VOTE

If you wish to vote by proxy, your proxy form must be received by the Company no later than **11:00am (Brisbane time) on Monday, 18 November 2019**. Any proxy form received after that time will not be valid for the scheduled Meeting. Proxy forms can be lodged:

By Mail: Healthia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By Hand: delivering it to Link Market Services Limited, 1A Homebush Drive Bay, Rhodes NSW 2138 *

By Fax: +61 2 9287 0309

Lodging it online at Link Market Services website WWW.LINKMARKETSERVICES.COM.AU and logging in using the control number found on the front of your accompanying proxy form or scanning the QR code on the front of the accompanying Proxy Form with your mobile device and inserting your postcode.

Note: You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website.

* During business hours (Monday to Friday, 9:00am–5:00pm (Sydney time))

Shareholders are advised that:

- Each Shareholder that is entitled to attend and vote at the Meeting is entitled to appoint a proxy
- The proxy need not be a Shareholder of the Company
- A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise

Please write the name of the person you wish you appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- Two directors of the company
- A director and a company secretary of the company, or
- For a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with section 127 of the Corporations Act. The certificate of appointment must be lodged with the Company before the Meeting.

Notes

Votes on Resolutions

You may direct your proxy how to vote by making 'For', 'Against' or 'Abstain' for the resolutions set out in each item of business on the Proxy Form. All of your shareholding will be voted in accordance with such direction unless you indicate only a portion of voting rights are to be voted on each resolution 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 resolution, your proxy may vote as he or she chooses. If you mark more than one box on a resolution, your vote will be invalid on that resolution.

How the Chairman will vote undirected proxies

At the date of this Notice of meeting, the Chairman intends to vote all undirected proxies FOR the resolutions set out in each of the items of business.

Unless amended, the Proxy Form expressly authorises the Chair to exercise undirected proxies in his/her discretion in relation to all resolutions even where such resolutions are connected directly or indirectly with financial benefits to be given and shares to be issued to entities associated with certain directors of the Company.

Attending the meeting in person

Eligible shareholders may attend the meeting in person. If you intend to attend the meeting in person, you do not need to submit a Proxy Form.

You may still attend the meeting and vote in person even if you have appointed a proxy. You will be provided with an attendance card on the day of the meeting. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the meeting.

Questions on how to cast your votes

If you have any queries on how to cast your votes, please call the Company's share registry:

Link Market Services Phone: 1300 554 474 (within Australia), Phone: +61 1300 554 474 (outside Australia). Fax: Phone: +61 2 9287 0309 (within Australia),
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4. NON-BINDING RESOLUTION ON REMUNERATION

The resolution for Item 3 is advisory and non-binding. The outcome of this resolution does not bind the Company or the Directors. However, the Directors will consider the outcome of the vote and comments made by members on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

If 25% of the votes that are cast are voted against adoption of the Remuneration Report at two consecutive AGMs, members will be required to vote at the second of those AGMs on a resolution (spill resolution) that another meeting of the Company's Shareholders will be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were Directors of the Company when the Directors' Report for the second AGM were approved by those Directors, must stand for re-election.

A voting exclusion statement in respect of the resolution for Item 3 is set out below.

5. VOTING EXCLUSION STATEMENT

In accordance with the Listing Rules and the Corporations Act, the Company will disregard any votes cast on each resolution (as applicable) by certain persons identified as being excluded from voting on that resolution.

Terms used below are defined in the "Interpretation" section of the accompanying Explanatory Notes.

The Company will disregard any votes cast on:

- **Item 3:** Adoption of Remuneration Report, by Wesley Coote, Anthony Ganter, Christopher Banks or Dean Hartley (identified as the Key Management Personnel) or any Closely Related Party of such a member
- **Item 4:** Approval of Performance Rights Plan and **Item 5:** Approval of Participation of Wesley Coote and Anthony Ganter (both Executive Directors of Healthia Limited) in Performance Rights Plan, by Wesley Coote, Anthony Ganter or any of their Associates and, if the vote is cast under an appointment as a proxy (subject to the exceptions below), any member of the Key Management Personnel or any Closely Related Party of such a member.

However, the Company may not disregard a vote cast if it is cast:

- o By a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or
- o By the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with an express authority in the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

Important Information on appointing a Proxy for Items 3, 4 & 5

The Corporations Act places certain restrictions on the ability of KMP (including the person chairing the Meeting) and their Associates to vote on the resolutions in Items 3, 4 and 5 including where they are voting as proxy for another Shareholder.

To ensure that your votes are counted, you are encouraged to direct your proxy as to how to vote on the resolutions in Items 3, 4 and 5 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the proxy form.

The Chair of the Meeting intends to vote all undirected proxies in favour of the resolutions in Items 3, 4 and 5.

If you appoint the Chair of the Meeting as your proxy but you do not direct the Chair how to vote in respect of the resolution in Item 3, 4 or 5, you will be directing the Chair to vote in favour of the resolution and the Chair will vote in this way, even though the resolution is in connection with the remuneration of KMP.

6. QUESTIONS ABOUT HEALTHIA LIMITED

You will have the opportunity to ask questions at the meeting (including the opportunity to ask questions of the auditor). So that we can hear from as many Shareholders as possible, we ask that you keep your questions short and clear, and you do not ask more than two questions initially. If time permits, anyone wishing to speak more than once will be given a subsequent opportunity.

In addition, a question form has been included with this Notice of Meeting to make it easier for Shareholders to submit written questions. Please submit written questions by no later than **5pm (Brisbane time) on Friday, 8 November 2019** to the Company Secretary by post or email at the address below. The Chairman of the meeting will endeavour to address the more frequently raised themes during the course of the meeting. Please note that individual responses will not be sent to shareholders.

Written Questions to the Company

To be submitted by:

Time: 5:00 pm (Brisbane Time)

Date: Friday, 8 November 2019

By Post:

Mr Chris Banks (Company Secretary)
Healthia Limited
Level 4 East Tower, 25 Montpelier Road
Bowen Hills QLD 4006

By Email: chris.banks@healthia.com.au

Explanatory Notes

These Explanatory Notes are provided to Shareholders of the Company to explain the Items of business and Resolutions to be put to Shareholders at the Annual General Meeting.

The Directors recommend that Shareholders read the accompanying Notice of Meeting and these Explanatory Notes in full before making any decision in relation to the resolutions.

Terms used in these Explanatory Notes are defined on page 14 of this document.

Item 1

Annual Financial Report and Directors' and Auditor's Reports

The Company's Annual Report comprising the Directors' Report and Auditor's Report, Directors' Declaration, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial report for the Company and its controlled entities for the financial year ended 30 June 2019 were released to ASX Limited on 30 August 2019.

Shareholders can access a copy of the annual report at www.healthia.com.au.

No voting is required for this item.

If you have a question for the Company's Auditor before the Annual General Meeting

As a Shareholder, you may submit a written question to the Auditor prior to the Meeting provided that the question relates to:

- o the content of the Auditor's Report, or
- o the conduct of the audit in relation to the Financial Report.

All questions must be sent to the Company Secretary and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

Written Questions to the Auditor

To be submitted by:

Time: 5:00 pm (Brisbane time)

Date: Wednesday, 6 November 2019

By Post:

Mr Chris Banks (Company Secretary)
Level 4 East Tower, 25 Montpelier Road
Bowen Hills QLD 4006

By Email: chris.banks@healthia.com.au

If you have a question for the Company's Auditor at the Meeting

The Auditor will be attending the Annual General Meeting and will answer written questions submitted prior to the Meeting.

The Auditor will also be available to answer questions from Shareholders relevant to:

- o the conduct of the audit
- o the preparation and content of the Auditor's Report
- o the accounting policies adopted by the Company in relation to the preparation of the Financial Statements, and
- o the independence of the Auditor in relation to the conduct of the audit.

Explanatory Notes

Items 2(a) and 2(b)

Re-election of Directors

Article 47 of the Constitution requires the Company to hold an election of directors whenever required by the Corporations Act or the Listing Rules. The Listing Rules require the Company to hold an election of directors at each annual general meeting. Accordingly, Mr Darren Stewart and Mr Paul Wilson, being eligible, offer themselves for re-election by Shareholders.

The experience, qualifications and other details in relation to Mr Darren Stewart and Mr Paul Wilson are set out below.

Darren Stewart <i>Chief Executive Officer Podiatry</i>	Darren is a registered podiatrist and in 2004 co-founded the My FootDr Business with Greg Dower. The two had grown the group to 13 clinics by December 2015. In 2015, Darren and Greg saw the opportunity to grow their network of Clinics through the acquisition of well-established podiatry clinics. Before merging with Balance Podiatry Group in December 2016, they had grown the network to 19 clinics. Darren provides strategic leadership and direction to the My FootDr Business.
Current directorships of listed entities	None
Directorships of listed entities over last 3 years	None
Bankruptcy and Criminal Records Searches	Nil to Report

Directors' recommendation:

The Directors, with Mr Darren Stewart abstaining, unanimously recommend that you vote in favour of this ordinary resolution to approve the re-election of Darren Stewart as a Director.

Paul Wilson <i>Independent Non-Executive Director</i>	Paul was a co-founder, director and shareholder of Mammoth Pet Holdings Pty Ltd (Pet Barn) prior to the merger with Greencross Limited. Prior to founding Mammoth, Paul was the Chief Operating Officer of ShopFast, Australia's largest online grocery retailer (sold to Coles in 2003). Paul has worked in the retail industry for 26 years with roles including, General Manager of Caltex/Boral JV, Vitalgas. Paul is the Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.
Current directorships of listed entities	None
Directorships of listed entities over last 3 years	Non-executive director of Greencross Ltd (ASX code: GXL) 6 February 2014 to 28 February 2019
Bankruptcy and Criminal Records Searches	Nil to Report

Directors' recommendation:

The Directors, with Mr Paul Wilson abstaining, unanimously recommend that you vote in favour of this ordinary resolution to approve the re-election of Paul Wilson as a Director.

Explanatory Notes

Item 3

Adoption of the Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory resolution.

The Remuneration Report is in the Directors' Report and set out on pages 19 - 24 of the Annual Report for the year ended 30 June 2019.

The 2019 Annual Report is available on the Company's website www.healthia.com.au.

The Remuneration Report:

- o explains the Board's policy for determining the nature and amount of remuneration of executives of the Company including the Managing Director, and
- o sets out remuneration details for each Director and the other Key Management Personnel of the Company.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, and make comments on, the Remuneration Report and the Company's remuneration arrangements.

The Board believes that the Company's remuneration arrangements, as set out in the Remuneration Report, are fair, reasonable and appropriate and support achievement of the strategic objectives of the Company.

Directors' recommendation:

The Directors unanimously recommend that Shareholders vote in favour of this ordinary resolution in adopting the Remuneration Report.

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

Item 4

Performance Rights Plan

Background

This Resolution seeks shareholder approval for the implementation of a Performance Rights Plan for the Company.

The Performance Rights Plan is used as the vehicle for the Company's Long-Term Incentive Plan (LTIP) for key management and other participants approved by the Board. The Board recognises the need to adequately incentivise and remunerate staff and believes that an appropriately designed Long Term Incentive Plan would align employees' interests with that of shareholders

The LTIP is designed to:

- (a) align employee incentives with Shareholder interests
- (b) encourage broad based share ownership by employees, and
- (c) assist employee attraction and retention.

Why is Shareholder Approval Required?

Approval for the Performance Rights Plan is required for the purposes of the Listing Rules as set out in more detail below.

ASX Listing Rule 7.1, subject to certain exceptions, allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Shareholder approval. An exception is provided in Listing Rule 7.2, exception 9, where Shareholders approve the issue of securities under an employee incentive scheme as an exception to the Listing Rules.

This Resolution proposes that Shareholders consider and approve the Performance Rights Plan in accordance with Listing Rule 7.2, exception 9, which will enable securities issued under the Performance Rights Plan in the course of the next three years to be excluded from the Company's 15% limit for the purpose of Listing Rule 7.1.

Key terms of the Performance Rights Plan are set out in *Annexure One*.

Directors' recommendation

The Directors (other than Mr Coote and Mr Ganter, who may participate in the Performance Rights Plan) recommend that Shareholders vote in favour of ordinary resolution to approve the Performance Rights Plan for the purposes of the Listing Rules.

Explanatory Notes

Items 5(a) & 5(b)

Grant of Performance Rights to Executive Directors, Wesley Coote and Anthony Ganter

Items 5(a) and (b) seek Shareholder approval for the purpose of ASX Listing Rule 10.14 and for all other purposes to grant Performance Rights to Mr Coote (Group Managing Director and CEO) and Mr Tony Ganter (CEO, Physiotherapy) pursuant to the Company's Performance Rights Plan. The Performance Rights will be issued no later than 30 June 2020.

Group Managing Director Remuneration

Wesley Coote is the Group Managing Director and CEO of the Company.

The Company's remuneration strategy for Mr Coote comprises:

- o Total fixed remuneration (TFR), consisting of base salary, superannuation and other benefits
- o Short-term incentives (STI) with a maximum opportunity of 75% of base salary, and
- o Long Term Incentives (LTI) with a maximum opportunity of 70% of base salary.

The Board (other than Mr Coote) considers it appropriate to award Performance Rights to Mr Coote. Details of Mr Coote's remuneration entitlements for the financial year ended 30 June 2019 are set out in the Company's 2019 Annual Report on page 21.

The Board (other than Mr Coote), subject to Shareholder Approval, proposes to grant 172,463 Performance Rights to Mr Coote. (**2020 Performance Rights**).

CEO – Physiotherapy Remuneration

Anthony Ganter is the CEO – Physiotherapy for the Company.

The Company's remuneration strategy for Mr Ganter comprises:

- o Total fixed remuneration (TFR), consisting of base salary, superannuation and other benefits
- o Short-term incentives (STI) with a maximum opportunity of 75% of base salary, and
- o Long Term Incentives (LTI) with a maximum opportunity of 60% of base salary.

The Board (other than Mr Ganter) considers it appropriate to award Performance Rights to Mr Ganter. Details of Mr Ganter's remuneration entitlements for the financial year ended 30 June 2019 are set out in the Company's 2019 Annual Report on page 21.

The Board (other than Mr Ganter), subject to Shareholder Approval, proposes to grant 128,115 Performance Rights (**2020 Performance Rights**) to Mr Ganter.

Why is Shareholder Approval Required?

ASX Listing Rule 10.14 requires a listed company to obtain Shareholder approval prior to the issue of securities under an employee incentive scheme to a director of a Company or his or her Associates. As Mr Coote and Mr Ganter are Directors of the Company, in accordance with ASX Listing Rules, any issue of securities to them requires prior approval of Shareholders.

2020 Performance Rights

This Resolution seeks approval for the purposes of ASX Listing Rule 10.14 and for all other purposes, to make the grant of 172,463 Performance Rights to Mr Coote and 128,115 Performance Rights to Mr Ganter in accordance with the terms and conditions of the Performance Rights Plan and the issue of Shares to them on the exercise of any such Performance Rights. Approval under ASX Listing Rule 10.14 is an exception to the prohibition on a company issuing shares to related parties without shareholder approval under ASX Listing Rule 10.11.

Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

The Performance Rights will be issued no later than 30 June 2020.

Conditions and Important Dates

The Vesting Date for the 2020 Performance Rights will be 31 August 2022, subject to meeting the Vesting Conditions (set out below). The 2020 Performance Rights will expire on 31 October 2022, if not lapsed or forfeited earlier.

Vesting Conditions

The number of 2020 Performance Rights which will vest in accordance with the Plan Rules is dependent on, and subject to, satisfaction of the following conditions (together, the **Vesting Conditions**):

1. EPS Growth

- Compounding annual growth in underlying Earnings Per Share (underlying EPS) for the period from 1 July 2019 to 30 June 2022 must be greater than 10% per annum.
- The underlying EPS results to be used will be the Basic EPS recorded in the Company's audited financial statements in the relevant years, adjusted for one-off and non-recurring items and the amortisation of customer lists, as determined by the Board in its discretion.
- 50% of the Performance Rights will be exercisable if this condition is achieved.

2. Total Shareholder Return

- Total Shareholder Return (TSR) to exceed 150% for the period from 1 Jul 2019 to 30 June 2022, with TSR calculated as follows:
 - $TSR = (Price\ End - Price\ Begin + Dividends) / Price\ Begin$
- Where:
 - Price Begin = share price at 1 July 2019
 - Price End = share price as at 30 June 2022, and
 - Dividends = total dividends paid per share during the period from 1 July 2019 to 30 June 2022.
- 50% of the Performance Rights will be exercisable if this condition is achieved.

Any Performance Rights which fail to meet the relevant Vesting Conditions before the relevant Vesting Date shall immediately lapse. There will be no re-testing.

Service Conditions

All of the performance rights are subject to Mr Coote and Mr Ganter satisfying the service condition, being continuous employment with the Company from the Grant Date until the Vesting Date, subject to the Board exercising its discretion to determine otherwise.

Specific information required under the ASX Listing Rules

The following additional information is provided in accordance with ASX Listing Rule 10.15 to support Items 5(a) and 5(b)

Maximum number of Performance Rights to be issued	Mr Wesley Coote: 172,463 Performance Rights Mr Anthony Ganter: 128,115 Performance Rights
Entitlement	Each Performance Right entitles Mr Coote and Mr Ganter to acquire one Share in the Company subject to meeting Vesting and Service Conditions
Price of Performance Rights	The Performance Rights will be granted at no cost. Once the performance and service conditions are met (or waived), the Performance Rights will be exercisable at the applicable Exercise Price.
Exercise Price	The Exercise Price for the Performance Rights is nil. Importantly, no value will be received by Mr Coote or Mr Ganter if the Performance Rights lapse prior to the relevant Vesting Date.
Fair Value of Performance Rights	The 'fair value' of the Performance Rights for accounting purposes will be determined at the grant date of the Performance Rights and the value expensed over the relevant service periods after taking account of any market and non-market vesting conditions in accordance with AASB-2.
Loan	No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights.
Number of equity incentives issued under the Plan	At the date of this notice, 2,392,780 performance rights have been granted to participants, all of whom are employees of the Company
Executive Directors entitled to participate in the Plan	Wesley Coote 172,463 unvested Performance Rights Anthony Ganter 128,115 unvested Performance Rights
Prior Participation	This is the first year that the Performance Rights Plan operates. Mr Coote and Mr Ganter have not received any prior Performance Rights. No other director or their Associates have acquired Performance Rights.
Future participation	Mr Coote and Mr Ganter, together with senior managers and other employees of the Group nominated by the Board, are eligible to participate in the Performance Rights Plan. Any grants to any executive director from time to time will remain subject to Shareholder approval under ASX Listing Rule 10.14.
Other Conditions of the Plan	Termination of employment: If either Mr Coote or Mr Ganter cease employment before the vesting conditions are satisfied, the number of Performance Rights available to be exercised will be determined by the Board in their absolute discretion depending on the circumstances of their resignation.
Other Information	<ul style="list-style-type: none"> ○ Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period ○ If, in the Board's opinion, Mr Coote or Mr Ganter has acted fraudulently or dishonestly or is in breach of their material obligations to the Company, the Board may determine that any or all of the Performance Rights which have not yet vested, lapse ○ Details of any Performance Rights granted to Mr Coote and Mr Ganter (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been granted, together with a note that approval of the issue was obtained under Listing Rule 10.14.

Non-executive Directors' views and recommendations

The Non-executive Directors believe that the success of the Group will largely depend on the leadership, skills and motivation of Mr Coote and Mr Ganter in overseeing the management of the Group's operations and strategy implementation. In deciding to recommend the issue of Performance Rights to Mr Coote and Mr Ganter, the Non-executive Directors:

- (a) took into account the nature of Mr Coote's and Mr Ganter's leadership positions within the Group, the function and purpose of the LTIP component of the Company's remuneration framework and have considered these against the practices of other ASX listed companies
- (b) consider that the grant of the Performance Rights is an appropriate form of remuneration and is part of a reasonable remuneration package taking into account the Group's circumstances and the circumstances of Mr Coote and Mr Ganter, and
- (c) believe that it is in the best interests of Shareholders to approve Item 5(a) and 5(b) as the grant of the Performance Rights appropriately aligns Mr Coote's and Mr Ganter's remuneration and Shareholder return due to the Vesting Conditions the Company must achieve for the Performance Rights to vest.

Glossary

In the Notice and Explanatory Notes, the following terms have the following meaning unless the context otherwise requires:

Defined Terms	Meaning
Auditor	BDO.
Annual General Meeting or AGM	the annual general meeting of Shareholders of the Company.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
BDO	BDO Audit Pty Ltd ACN 134 022 870.
Board	the board of Directors of the Company.
Chair	the person appointed to Chair the Meeting.
Closely Related Party or CRP	any of the following: <ol style="list-style-type: none"> 1. A spouse, child or dependant of the KMP 2. A child or dependant of the KMP's spouse 3. Anyone else who is one of the KMP's family and may be expected to influence, or be influenced by, the KMP in the KMP's dealings with the Company 4. A company the KMP controls, or 5. A person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).
Corporations Act	the Corporations Act 2001 (Cth).
Company	Healthia Limited ACN 626 087 223
Constitution	the constitution of the Company, as amended from time to time, a copy of which is available on the Company's website www.healthia.com.au
Directors	the directors of the Company.
Key Management Personnel or KMP	are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. KMP include the Directors (including non-executive directors) and certain senior executives of the Company.
Listing Rules	the Listing Rules of the ASX.
Meeting	this meeting.
Notice	the notice of meeting which accompanies the Explanatory Notes.
Shareholder	a registered holder of shares in the Company.

Annexure 1

Key terms of the Performance Rights Plan are set out below

Plan Terms/Conditions	Details
Purpose	The purpose of the Plan is to encourage employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all employees.
Eligibility	Permanent employees or executive directors of the Company or any related body corporate of the Company.
Form of awards	Awards may be paid in the form of cash or equity (which may include Shares, rights, options or other securities). A right is a right to acquire a Share and can take the form of: <ul style="list-style-type: none"> o Performance Rights, which, once issued are subject to vesting conditions specified in the offer that must be satisfied before an award can be exercised or is no longer subject to forfeiture; and o Service Rights, which, once issued are subject to vesting conditions that relate only to the continued employment of the employee that must be satisfied before an award can be exercised or is no longer subject to forfeiture.
Offers of awards	The Company may, at the discretion of the Board, offer and issue awards to eligible employees. Each offer must be in writing, including an application if acceptance is required, and specify details of the offer including: <ul style="list-style-type: none"> o the type of awards being offered o the number of awards being offered o any vesting conditions for the awards; o the issue price and/or exercise price for the awards, or the manner in which the issue price and/or exercise price is to be determined o the expiry date (if any) o any restriction period o any other terms or conditions that the Board decides to include, which may include the terms and conditions of a clawback or other policy approved by the Board from time to time, and o any other matters required to be specified in the offer by either the Corporations Act or the Listing Rules.
Vesting and exercise of awards	Awards will vest and become exercisable upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Plan. Vesting conditions may include performance conditions and/or service conditions, as determined by the Board. Vesting conditions may be waived at the absolute discretion of the Board (and subject to the terms of the award).
Settlement of awards that have vested	Vested awards may be settled by equity and/or cash as specified by the offer or as determined at the discretion of the Board. Rights issued under the Plan will not be quoted on the ASX and do not carry any dividend or voting rights prior to vesting. All Shares issued or transferred to participants will be quoted on the ASX and will rank equally on and from the date of issue or transfer with all existing Shares then on issue.
Forfeiture of awards	Unless the Board determines otherwise, unvested awards will be forfeited if the vesting conditions in the offer are not satisfied.
Award restrictions	Subject to the Board determining otherwise, an award must not be sold, transferred or otherwise disposed of during the vesting period. The holders of awards are prohibited from entering into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested awards. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.
Change of control	In the event of a change of control, the Board will determine in its absolute discretion the manner in which all unvested and vested awards will be dealt with, including with consideration to the nature and circumstances of the change of control
Adjustments	Subject to the Listing Rules and applicable law, if the Company makes any new issue of securities or alterations to its capital by way of bonus issue or reorganisation of capital, the Board may in its absolute discretion make adjustments to an award as it sees fit with regard to the circumstances of the alteration to capital.
Plan Limit	The Company must only offer an award under the Plan in reliance on ASIC Co 14/1000 if it has reasonable grounds to believe that the number of underlying Shares that may be issued under the offer, and underlying Shares issued or that may be issued as a result of offers made at any time during the previous three year period under certain employee incentive schemes, will not exceed 5% of the total number of underlying Shares in that class on issue.

Plan Terms/Conditions	Details
	In no circumstances will awards be granted under the Plan if it is an issue of securities that combined with all other outstanding employee share scheme interests would exceed 10% of the Company's then outstanding issued capital.
Use of a share trust	The Board may use a share trust or other mechanism for the purpose of holding Shares as relevant to the delivery of Shares on the exercise of any awards.
Administration of the Plan	The Plan will be administered by the Board. Any powers or discretions conferred on the Board by the Plan rules may be exercised by the Board (or its delegate) in its absolute discretion.
Amendment of the Plan	<p>The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules and provided that no amendment to the Plan may be made which materially prejudices the rights of existing Participants other than an amendment introduced primarily:</p> <ul style="list-style-type: none"> ○ for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation or the Listing Rules ○ to correct any manifest error or mistake, or ○ for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

LODGE YOUR VOTE

-  **ONLINE**
www.linkmarketservices.com.au
-  **BY MAIL**
Healthia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
-  **BY FAX**
+61 2 9287 0309
-  **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Healthia Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Brisbane time) on Wednesday, 20 November 2019 at the offices of Colin Biggers & Paisley, Level 35, 1 Eagle Street Brisbane QLD (the Meeting)** and at any postponement or adjournment of the Meeting.


Important for Resolutions 3, 5a & 5b: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 5a & 5b, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions	For	Against	Abstain*		For	Against	Abstain*
2a Re-election of Mr Darren Stewart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5a Approval of a grant of Performance Rights to Wesley Coote under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b Re-election of Mr Paul Wilson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b Approval of a grant of Performance Rights to Anthony Ganter under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Brisbane time) on Monday, 18 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Healthia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**