



Volpara Health Technologies Limited

A company registered in New Zealand with company number 2206998
(ARBN 609 946 867)

2020 Annual General Meeting

Notice of Meeting

Wednesday 19 August 2020
12pm (New Zealand time)
10am (Australian Eastern Standard Time)
Level 14, Simpl House
40 Mercer Street,
Wellington Central
Wellington 6011
Webcast:
<https://webcast.openbriefing.com/5429/>

Chairman's Letter

Dear Shareholder

On behalf of Volpara Health Technologies Limited, I invite you to attend our Annual General Meeting (**AGM** or **annual meeting**) at 12pm (New Zealand time) on Wednesday 19 August 2020 at our office, Level 14, Simpl House, 40 Mercer Street, Wellington Central, Wellington 6011.

During the AGM, we will undertake the business outlined in this Notice of Meeting which primarily relates to:

- the presentation of the Annual Report (available online at www.volparasolutions.com/investor-information/reports-and-presentations/) for the year ended 31 March 2020 and the report of the auditor;
- the re-election of two Directors, John Diddams and Roger Allen, who retire by rotation;
- the re-election of Karin Lindgren who was appointed to the Board in January 2020;
- the grant of options to Karin Lindgren as part of her remuneration on becoming a Director;
- the grant of options to Ralph Highnam in place of payment of his entitlement to a cash bonus;
- the amendment of the terms of previous grants of options;
- the ratification of the issue of shares in the Company's placement in April 2020; and
- the fixing of our auditor's remuneration.

All voting on the resolutions proposed at this year's AGM will be conducted by way of a poll and not on a show of hands. If you do not plan on attending the AGM, you are encouraged to appoint a proxy to attend and vote on your behalf by lodging your proxy appointment online at <https://www.votingonline.com.au/vhtagm2020> or returning it by mail. Instructions on how to appoint a proxy are detailed on the back of the Proxy Form. Proxies need to be received no later than 12pm (New Zealand time) on 17 August 2020 to be valid for the AGM. It would also be helpful if you could bring the enclosed Proxy Form with you on the day of the AGM to assist with shareholder registration.

For those shareholders unable to attend the AGM in person, the Company will once again be broadcasting the AGM via a Webcast at <https://webcast.openbriefing.com/5429/> and shareholders who are unable to attend the AGM in person are welcome to view the proceedings via the Webcast. However, to vote at the AGM, shareholders unable to attend the AGM in person, will need to have a lodged a Proxy Form ahead of the AGM as noted above.

Our Chief Executive Officer, Ralph Highnam and I will both speak at the AGM and our presentations will be available before the meeting at our website at www.volparasolutions.com and on the ASX website at www.asx.com.au (ASX:VHT). We encourage you to visit our website regularly for news and updates on our progress.

Do let us know of any questions you may have before the AGM. Details of how to lodge those questions prior to the AGM are on page 17 of this Notice of Meeting.

We look forward to your participation in the AGM.

Yours Sincerely,



Paul Reid
Chairman

Notice of Meeting

Notice is hereby given that the 2020 annual general meeting of shareholders (**Notice of Meeting**) of Volpara Health Technologies Limited, New Zealand company number 2206998 and ARBN 609 946 867 (**Company, Volpara or VHT**) will be held on Wednesday 19 August 2020 commencing at 12pm (New Zealand time), at our office, Level 14, Simpl House, 40 Mercer Street, Wellington Central, Wellington 6011 (**AGM or annual meeting**). Shareholders who cannot attend in person are invited to view the annual meeting by Webcast at <https://webcast.openbriefing.com/5429/>. However, only those shareholders present in person at the annual meeting in Wellington (including via proxy) will be entitled to vote at the annual meeting. Those shareholders viewing the annual meeting by Webcast will be considered guests at the AGM and will not be entitled to vote via the Webcast or to speak or raise questions at the AGM. We encourage shareholders who cannot, or do not plan to, attend the annual meeting in person to appoint a proxy to attend and vote on their behalf by lodging a Proxy Form before the deadline described in this Notice of Meeting. Detailed instructions for appointing a proxy are set out on the back of the Proxy Form.

At the annual meeting, the following business will be considered along with any other business that may be properly brought before the meeting.

Ordinary Business

1. Presentation of the Annual Report for the year ended 31 March 2020, and the report of the auditor.

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

That John Diddams, who retires as a director of the Company by rotation in accordance with clause 20.5 of the Company's constitution and who is eligible for re-election, be re-elected as a director of the Company.

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

That Roger Allen, who retires as a director of the Company by rotation in accordance with clause 20.5 of the Company's constitution and who is eligible for re-election, be re-elected as a director of the Company.

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

That Karin Lindgren, who was appointed by the directors of the Company on 31 January 2020 as an addition to the existing Directors in accordance with clause 20.4 of the Company's constitution, be re-elected as a director of the Company.

5. Subject to the passing of the resolution in Item 4, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That pursuant to, and in accordance with, ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant to Karin Lindgren, a director of the Company, of 450,000 options on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Karin Lindgren and her associates. However, this does not apply to a vote cast in favour of a resolution by:

1. *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*

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

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

That pursuant to, and in accordance with, ASX Listing Rule 10.11 and for all other purposes, shareholders approve the grant to Ralph Highnam, a director of the Company, of 402,200 options on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Ralph Highnam and his associates. However, this does not apply to a vote cast in favour of a resolution by:

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

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

That pursuant to, and for the purpose of, the waiver obtained from ASX Limited dated 16 July 2020 and for all other purposes, shareholders approve an amendment to increase the exercise period for 1,350,000 options granted to Mark Koeniguer, the Chief Commercial Officer of the Company, as described in the Explanatory Notes to this Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Mark Koeniguer and his associates. However, this does not apply to a vote cast in favour of a resolution by:

1. *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
2. *the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*

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3. *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
4. *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
5. *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

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

That pursuant to, and for the purpose of, the waiver obtained from ASX Limited dated 16 July 2020 and for all other purposes, shareholders approve an amendment to increase the exercise period for 450,000 options granted to Lyn Swinburne, a former director of the Company, as described in the Explanatory Notes to this Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Lyn Swinburne and her associates. However, this does not apply to a vote cast in favour of a resolution by:

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

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

That pursuant to, and in accordance with, ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 21,538,462 fully paid ordinary shares in the capital of the Company that were issued at an issue price of A\$1.30 per share and on the other terms and conditions set out in the Explanatory Notes to this Notice of Meeting under an institutional placement completed by the Company on 28 April 2020.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by a person who participated in the issue or is a counterparty to the agreement being approved and their associates. However, this does not apply to a vote cast in favour of a resolution by:

1. *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
2. *the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*

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3. *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
4. *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
5. *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

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

That the directors of the Company be authorised to fix the fees and expenses of the auditor for the ensuing year.

Please see the Explanatory Notes on page 6 for further information.

Explanatory Notes

Resolutions

Item 1 on the agenda does not require a resolution of shareholders. Items 2-9 are ordinary resolutions which require approval by a simple majority (greater than 50%) of the votes of those shareholders present in person or by proxy and entitled to vote and voting on the resolution.

Item 1 - Annual Report and Report of the Auditor

The Annual Report is available at <http://volparasolutions.com/investor-information/asx-company-news/> and has been (or will be) made available in printed copy to those shareholders who request it. Each Shareholder has a right to receive from the Company, free of charge, a physical copy of the annual report if the Shareholder makes a request to the Company within 15 working days of receiving this notice.

Items 2 and 3 - Re-election of Directors

Clause 20.5 of the Company's constitution requires one third of the Directors (or, if their number is not a multiple of three, then the number nearest to one third) to retire from office at the AGM. The Directors to retire are those who have been longest in office since they were last elected or deemed elected. In the case of Directors who were last appointed Directors on the same day, those to retire shall be determined by agreement between those Directors or, if they cannot agree, by lot. No Director may hold office (without re-election) past the third annual general meeting of the Company following the Director's appointment or three years, whichever is longer. A single Managing Director of the Company (appointed under clause 22 of the constitution of the Company) is exempt from these requirements. Any Director who retires by rotation is eligible for re-election at the AGM.

The Company currently has seven Directors in office requiring two Directors to retire from office at the AGM. Currently the longest serving Director since their last re-election is John Diddams (who was re-elected as a Director at the Company's AGM in 2017). The next longest serving Directors since their election or re-election are each of Monica Saini, Paul Reid and Roger Allen (who were each re-elected as a Director at the Company's AGM in 2018).

In accordance with clause 20.5 of the Company's constitution, John Diddams, being the Director who has been longest in office since he was last re-elected, will be the first Director to retire at the AGM. John Diddams, being eligible, offers himself for re-election. Background information on Mr Diddams is set out below.

John Diddams

John Diddams is the principal of an Australian CPA firm that provides companies with corporate advisory services. John has extensive knowledge and practical experience in the application of Australian Corporations law, ASX Listing Rules, international accounting standards and corporate governance principles.

Over the past 25 years John has managed the processes to raise capital, perform due diligence and seek ASX listing for a number of enterprises, including IPOs for a wide range of diverse offerings. These include oil and gas interests, food and retail, a fine wool processing plant, an innovative telephony product, a biotech company, an Internet advertising initiative, a dental device for snoring and sleep apnoea, an indoor skydiving company and the New Zealand developer of the Martin Jetpack, a healthy fast food chain, and Skydive the Beach Group Limited (now Experience Co Limited).

John is currently a Non-Executive Director of Aroa Biosurgery Limited, a New Zealand-based company that develops and markets proprietary soft-tissue regenerative products, and Surf Lakes Holdings Limited, a Gold Coast-based business with patented technology for recreational wave generation.

John is Chair of the Audit Committee and a member of the Remuneration Committee and is based in Sydney, Australia.

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Each of Monica Saini, Paul Reid and Roger Allen are the next longest serving directors since she or he was last elected or re-elected, having all been elected or re-elected on the same day at the Company's AGM in 2018. In accordance with clause 20.5 of the Company's constitution, each of those Directors has agreed between themselves that Roger Allen will be the second Director to retire at the AGM. Background information on Mr Allen is set out below.

Roger Allen

Roger joined the Board in June 2010 and was Chair of the Company from October 2015 to March 2019. Roger is a highly experienced entrepreneur and investor in early-stage growth companies in Australia, New Zealand and internationally. In the 1970s, he built Computer Power Group (**CPG**) from a small startup to a worldwide group of 3,000 people operating from 50 offices in 12 countries, listing on the Australian Stock Exchange (**ASX**) in 1987. The company was acquired in 1995. In 1996 he co-founded Allen & Buckeridge, an early-stage venture capital fund with offices in Silicon Valley and Australia.

Roger has served on two Prime Ministers' Science and Technology Councils and Advisory Boards and was Deputy Chairman of the Australian Government's Export Agency, Austrade, from 1990 to 1997. Previously an Adjunct Professor in the Business School of the University of Technology Sydney, he has also lectured at the School of Entrepreneurship at INSEAD. Roger has been awarded the top two lifetime awards in the IT industry (CSIRO Tony Benson award and the Pearcey Medal for lifetime achievement) as well as an Order of Australia Honour for his services to the IT sector through leadership roles, venture capital investment, and professional development, and in recognition of his support of the indigenous community and philanthropic interests. He was also elected as a Fellow of the Australian Computer Society. He is based in Sydney, Australia.

Roger is a member of the Audit Committee and the Remuneration Committee.

Director's recommendation

Each of the Directors (excluding John Diddams) recommends that shareholders vote in favour of the re-election of John Diddams in Item 2 and each of the Directors (excluding Roger Allen) recommends that shareholders vote in favour of the re-election of Roger Allen in Item 3.

Item 4 – Re-Election of Director

Clause 20.4 of the Company's constitution allows the Directors to appoint at any time additional directors to fill a casual vacancy or as an addition to existing Directors. A Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company.

Following the retirement of Professor Sir Michael Brady from the Board, on 31 January 2020 the Board appointed Karin Lindgren as an additional Director in accordance with Clause 20.4 of the Company's constitution. Karin Lindgren, being eligible, offers herself for re-election.

Karin Lindgren

Karin joined the Board in 2020. She brings 35 years' experience in health information technology as a senior technology executive and law firm partner. As one of the earliest healthcare technology lawyers in the United States, Karin has in-depth knowledge of data governance, data privacy, SaaS and US healthcare, and has extensive professional networks across the IT landscape.

Her previous roles include General Counsel, Chief Compliance Officer & Chief Privacy Officer at the University HealthSystem Consortium (which covers 90% of the US academic medical centers); general Counsel & Chief Privacy Officer at ReedGroup, a data and informatics technology company responsible for absence management solutions at over 40% of Fortune 100 companies; and Senior VP, Legal Affairs, General Counsel, Corporate Secretary, Chief Compliance Officer, Chief Privacy Officer, and Chief Audit Executive at Availity, a revenue-cycle management, electronic data

interchange platform, PaaS IT company that operates the largest real-time information network in healthcare, connecting payers and providers in over six billion transactions every year.

Karin was a founding faculty member in the Health Informatics Master's Programs at both Northwestern University (Chicago), and University of Colorado (College of Nursing), and has taught in schools of medicine, law, and business at numerous US universities. She is a board member of multiple private and non-profit organisations.

Karin is Chair of the Risk Committee and is based in Boulder, Colorado, USA.

Director's recommendation

Each of the Directors (excluding Karin Lindgren) recommends that shareholders vote in favour of the re-election of Karin Lindgren in item 4.

Item 5 - Approve grant of options to Karin Lindgren

General

Item 5 at the AGM seeks shareholder approval pursuant to, and in accordance with, ASX Listing Rule 10.14 and for all other purposes, for the grant of 450,000 options to Karin Lindgren, a non-executive director of the Company who was appointed to the Board on 31 January 2020. A summary of the material terms of grant of the options is set out below.

To encourage Volpara's continued rapid growth and strong performance, the Company's remuneration policy reflects the need to attract, motivate and retain highly skilled Directors whose interests are aligned with that of the Company's shareholders. As per this remuneration policy, Directors receive a mix of both cash and non-cash remuneration in the form of options. Karin Lindgren is currently entitled to an annual director's fee of US\$46,666.66 and is eligible to participate in the Company's employee share option plan (**ESOP**). On her appointment to the Board, the Board resolved to appoint Ms. Lindgren with 450,000 options under the Company's ESOP as part of her remuneration.

ASX Listing Rule 10.14 prohibits a director of a company from acquiring securities under an employee incentive scheme without the prior approval of shareholders. Accordingly, Item 5 seeks shareholder approval required by ASX Listing Rule 10.14 to allow the grant of options to Ms. Lindgren under the ESOP to be finalised. If shareholder approval is obtained under this Item 5, the grant of options to Ms. Lindgren, and the issue of shares on exercise of those options, will not require shareholder approval under ASX Listing Rule 7.1 and will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Specific information required by ASX Listing Rule 10.15

Outlined below is the information required to be provided to shareholders in accordance with ASX Listing Rule 10.15 for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 10.14 for the grant of options to Ms. Lindgren under the ESOP:

1. The number of options to be granted to Ms. Lindgren is fixed at 450,000.
2. The options will be issued to Ms. Lindgren for nil consideration. 40% of the options will vest on 31 January 2022 and 20% of the remaining options will vest on the same date in each year thereafter. The options have an exercise price of A\$1.84 per option and will expire on 31 January 2027 unless exercised beforehand. On exercise and payment of the exercise price each option will entitle Ms. Lindgren to one fully paid ordinary share in the capital of the Company. The options will be issued under an option deed that is consistent with the terms of the ESOP, the material terms of which are set out below.
3. Of the Company's current Directors, John Diddams, John Pavlidis and Ralph Highnam have previously received options under the ESOP.

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4. All Directors are entitled to participate in the ESOP. Any participation in the ESOP, and grant of options under the ESOP, remains at the Board's discretion. There is no current intention of the Board to grant options to any Director other than those options that have been granted to Directors previously and those options for which approval is being sought at the AGM.
5. If shareholder approval is obtained for Item 5, the Company will finalise the grant of the options to Ms. Lindgren as soon as practicable after the AGM, and in any event no later than 12 months after the date of the AGM.
6. Details of the options issued under the ESOP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
7. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of options under the ESOP after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.
8. A voting exclusion statement is included in the Notice of Meeting.

Material terms of the ESOP

The following is a summary of the rights and liabilities attaching to Options issued under the ESOP:

Offer	The Company may grant Options to any Director, employee of the Company, or a person who is a consultant with the Company or any of its subsidiaries for nil consideration (New Participant). An offer will specify the number of Options to be granted to the New Participant, the vesting period, and the exercise price.
Exercise	<p>A New Participant must give ten working days written notice to the Company stating the whole number of vested Options to be exercised and payment in full, of the exercise price within 20 working days of the date on which the notice was given.</p> <p>If the Company considers that the exercise would give rise to a breach of the Company's Constitution, the ASX Listing Rules and / or other rules of any stock exchange on which the shares of the Company (Shares) are quoted; or any statute or regulation then such exercise will not be valid.</p>
Termination and Lapse	<p>If a New Participant ceases to be a director of, employed by, or a consultant with, the Company or its subsidiaries due to a material breach of the New Participant's appointment letter, employment agreement, restraint of trade, or under and law, then the Company may terminate all Options previously granted to the New Participant and not exercised by the New Participant (whether or not then vested), and cancel all other benefits the New Participant may be entitled to receive under the ESOP.</p> <p>If a New Participant ceases to be a director of, employed by, or a consultant with, the Company or its subsidiaries other than as a result of a material breach of the New Participant's appointment letter, employment agreement, restraint of trade or under and law, then all unvested options will be cancelled without compensation and all options that have previously vested must be exercised before the earlier of (a) 60 days after the cessation date; (b) 30 working days before the expiry date of the options; and (c) if the vesting date is accelerated due to a change of control event, such accelerated date; and any options not exercised within that period will lapse and be cancelled without compensation, unless the Board determines otherwise.</p>

Reorganisation of Capital

Subject to the ASX Listing Rules, if, at any time after the grant of Options:

1. the Shares are consolidated, the numbers of Options immediately prior to such consolidation are consolidated in the same ratio as the ordinary capital of the Company and the Option exercise price will be amended in inverse proportions to that ratio;
2. the Shares are subdivided, the number of Options must be subdivided in the same ratio as the ordinary capital of the Company and the Option exercise price will be amended to that ratio;
3. the Company reduces the share capital by a pro rata return to holders of part of the share capital in respect of each Share, the number of Options shall remain the same but the option exercise price will be reduced by the same amount of share capital returned in respect of each Share;
4. the Company reduces its paid-up share capital by a cancellation of capital that is either lost or not represented by available assets where no securities are cancelled. The number of Options and the Option exercise price in respect to such Options will remain unchanged;
5. the Company cancels its capital proportionately. The number of Options must be reduced in the same ratio as the ordinary capital and option exercise price for such Options must be amended in inverse proportions to that ratio and
6. there is any other reorganisation or change to the capital of the Company, the number of Options, the Option exercise price, or both, must be reorganised so the holders of Shares will not receive a benefit that holders of Options do not receive.

Subject to the ASX Listing Rules, if, after the grant of the Options, there is a pro rata issue of Shares to all holders of Shares for which no consideration is payable, then the number of Options shall be increased by the same proportion as if the Options were Shares.

The ASX Listing Rules may require the Board to make further adjustments to the terms of the Options, in addition to, or instead of, those listed above in the event of any reconstruction or reorganisation of capital affecting the Shares.

No transfer or dealing with interests

An Option is not transferrable without the Company's approval.

Change of Control

If:

1. the Board and the Company's shareholders recommend a takeover bid or approve a scheme of arrangement of the Company where such transaction will not result in the Company's shareholders holding more than 25% of the voting rights of the Company;
2. the Company resolves to amalgamate with any other company where such amalgamation will not result in the Company's shareholders holding more than 25% of the voting rights of the amalgamated company;

3. the Company's shareholders approve the disposition of assets comprising more than 75% of the value of the Company's assets to an entity not controlled by controlling or under common control with the Company or to an entity in which the Company's shareholders do not hold at least 25% of that entity's voting rights; or
4. a change in the management or control of the Company occurs as a result of the acquisition by any party of more than 75% of the total issued Shares carrying voting rights in the Company;

then the Board may determine in its absolute discretion (but with no obligation to do so) that all unvested options will vest at a time set by the Board and all or some of the vested Options must be exercised on or before 30 days from the date that one of these events occur, and any vested options not so exercised will automatically lapse at the end of the 30 day period.

Guidelines for the ESOP

In addition to the ESOP terms, the Board has adopted a series of guidelines (**Guidelines**) in connection with the implementation of the ESOP that will complement individual option deeds to be entered into between Volpara and each New Participant. The grant of Options and the management of the ESOP will remain at the absolute discretion of the Board. The Guidelines are intended to set out some principles and parameters with respect to the Board's use of its discretion and to assist the Board with management of the ESOP. It is acknowledged that while it is the Board's current intention to implement the ESOP in accordance with the Guidelines, there may be instances where the Board, on a case-by-case basis, feels there is a need to grant Options under the ESOP outside one or more of the Guidelines. In that circumstance, the Board will consider whether the Guidelines should be permanently amended or waived and whether disclosure of any such amendment or waiver is required to be given to the Company's shareholders.

Material matters dealt with under the Guidelines include:

1. the purpose of the grant of Options is to enable contributors to the potential success of Volpara to share in that success by giving them options to purchase Shares at an exercise price during a set exercise period;
2. setting a limit on the grant of Options under the ESOP which when exercised, will represent up to a maximum of 7% of the share capital of Volpara on a fully diluted basis. This limit may be reviewed by the Board from time to time, and if considered appropriate based on the purpose of the Options, increased. Notice of any increase in the limit will be given to the Company's shareholders;
3. ensuring that, when granting any Options under the ESOP, the Board must be satisfied that, at the time of grant of any options, the exercise price is fair and reasonable to Volpara and its shareholders (as per section 489 of the Companies Act 1993); and
4. setting a maximum exercise period of seven years for each tranche of Options.

Director's recommendation

Each of the Directors (excluding Karin Lindgren) recommends that shareholders vote in favour of Item 5.

Item 6 - Approve grant of options to Ralph Highnam

General

Item 6 at the AGM seeks shareholder approval pursuant to, and in accordance with, ASX Listing Rule 10.11 and for all other purposes, for the grant of 402,200 options to Ralph Highnam, the managing director and CEO of the Company. A summary of the material terms of grant of the options is set out below.

Under the terms of Mr Highnam's employment contract he is entitled to a cash bonus subject to meeting certain performance hurdles set by the Board at the commencement of each financial year. As a result of satisfying those performance hurdles for the financial year ended 31 March 2020, Mr Highnam was entitled to a cash bonus of NZ\$133,462. However, in light of the ongoing global coronavirus pandemic (COVID-19) and the Company's desire to preserve its cash reserves, the Board has agreed with Mr Highnam that, for the financial year ended 31 March 2020, his cash bonus may be satisfied by the Company granting to Mr Highnam 402,200 options in place of payment of the cash bonus.

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the Company. Mr Highnam is a related party of the Company under the ASX Listing Rules as he is a Director as at the date of this item 6. Accordingly, item 6 seeks shareholder approval required by ASX Listing Rule 10.11 to allow the issue of options to Mr Highnam.

If Item 6 is not approved at the AGM the Company will have an obligation to proceed to pay Mr Highnam's bonus in cash, thereby depleting the Company's cash reserves by that amount.

Specific information required by ASX Listing Rule 10.13

Outlined below is the information required to be provided to shareholders in accordance with ASX Listing Rule 10.13 for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 10.11 for the grant of options to Mr Highnam:

1. Mr Highnam is a director of the Company and consequently is a related party of the Company by virtue of section 228(2) of the *Corporations Act 2001 (Cth)*.
2. The maximum number of options to be issued is 402,200.
3. If shareholder approval is obtained for item 6, the Company will finalise the grant of the options as soon as practicable after the AGM, and in any event no later than one month after the date of the AGM.
4. The options will be issued to Mr Highnam in consideration for Mr Highnam's agreement to forego his contractual entitlement to a cash bonus for the financial year ended 31 March 2020. 40% of the options will vest on 1 April 2022 and 20% of the remaining options will vest on the same date in each year thereafter. The options have an exercise price of A\$1.30 per option and will expire on 1 April 2027 unless exercised beforehand. On exercise and payment of the exercise price each option will entitle Mr Highnam to one fully paid ordinary share in the capital of the Company. The options will be issued under an option deed that is consistent with the terms of the ESOP, the material terms of which are summarised in the explanatory notes to Item 5 above.
5. Details of Mr. Highnam's current total remuneration package for the financial year ending 31 March 2021 is as follows:
 - (a) base salary of NZ\$315,900 (which includes a 10% reduction in salary agreed to by Mr Highnam for the 3-month period during the height of the COVID19 pandemic);

- (b) defined contributions plan benefits amounting to approximately NZ\$6,500;
 - (c) share options with a cost to the Company of NZ\$7,700 (excluding the cost to the Company of the 402,200 options for which shareholder approval is being sought under this Item 6);
 - (d) non-monetary benefits amounting to approximately NZ\$25,000; and
 - (e) entitlement to a cash bonus which remains subject to satisfaction of performance criteria, the amount of which (if any) will be determined at the end of the financial year.
6. A voting exclusion statement is included in the Notice of Meeting.
 7. No funds are being raised as a result of the issue of the options.

Director's recommendation

Each of the Directors (excluding Ralph Highnam) recommends that shareholders vote in favour of Item 6.

Item 7 and 8 - Amendment to the terms of grant of options to Mark Koeniguer and Lyn Swinburne

General

Mr. Koeniguer currently holds 1,350,000 options over ordinary shares exercisable at NZ\$0.46666 per share and Ms. Swinburne currently holds 450,000 options over ordinary shares exercisable at NZ\$0.46666 per share. These options were granted to Mr. Koeniguer and Ms. Swinburne pursuant to a legacy employee share option plan (**Legacy ESOP Scheme**) that was discontinued on VHT's IPO in 2016. It has come to the Company's attention that the expiry date of the options under each option deed is five years from the date of the deed, which is inconsistent with the standard ten year timeframe given to all other participants under the Legacy ESOP Scheme. The Company is seeking to streamline the exercise period for the share options granted to each of Mr. Koeniguer and Ms. Swinburne with those of the other employees and directors of the Company who were granted options under the Legacy ESOP Scheme and extend the exercise period of the options from five years to ten years. The current expiry date for the exercise of the options granted to each of Mr. Koeniguer and Ms. Swinburne is 15 January 2021. Subject to shareholders approving the change to the expiry date, the new expiry date will be 15 January 2026. All other existing terms of the options will remain the same.

ASX Waiver

ASX Listing Rule 6.23.3 provides that changes to option terms which have the effect of reducing the exercise price, increasing the exercise period or increasing the number of securities received on exercise are prohibited. The Company sought, and obtained, a waiver from ASX from ASX Listing Rule 6.23.3 to allow VHT to increase the exercise period of the options granted to Mr. Koeniguer and Ms. Swinburne, subject to the Company obtaining shareholder approval for the change and the Notice of Meeting seeking shareholder approval containing disclosure to the satisfaction of ASX regarding the Company's rationale for seeking to amend the terms of the options (that rationale being detailed above) (**ASX Waiver**).

In providing the ASX Waiver ASX noted that the number of options is considered de minimis (being in aggregate only 0.69% of issued capital on a fully diluted basis) and the proposed changes to their terms will not undermine the integrity of Listing Rule 6.23.3, as there will be no material impact on the capital structure of VHT.

Accordingly, items 7 and 8 seeks the shareholder approval required by the ASX Waiver to allow the change to the terms of grant of options to Mr. Koeniguer and Ms. Swinburne which has the effect of increasing the exercise period of the options from 15 January 2021 (five years) to 15 January 2026 (ten years).

Director's recommendation

Each of the Directors recommends that shareholders vote in favour of Item 7 and 8.

Item 9 - Ratification of previous issue of shares

General

Item 9 at the annual meeting seeks shareholder ratification pursuant to, and in accordance with, ASX Listing Rule 7.4 and for all other purposes for the previous issue of 21,538,462 fully paid ordinary shares in the capital of the Company under the institutional placement component of the capital raising that the Company undertook in April 2020 (**Placement Shares**).

ASX Listing Rule 7.4

ASX Listing Rule 7.1 allows a company to issue up to 15% of its issued securities in any 12-month period without obtaining shareholder approval, subject to certain exceptions (for example where such an issue is made under a pro rata offer to all shareholders such as a rights issue) (**15% Placement Capacity**).

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made without shareholder approval but in compliance with ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The Placement Shares were issued within the Company's 15% placement capacity in compliance with ASX Listing Rule 7.1.

If Item 9 is approved at the AGM, it will have the effect of ratifying the issue of the Placement Shares pursuant to ASX Listing Rule 7.4 and it will reinstate the Company's placement capacity under ASX Listing Rule 7.1 to the extent of the number of the Placement Shares. . While the Company has no current plans to raise further capital at this time, the Company considers it prudent corporate housekeeping to seek shareholder approval at the general meeting to re-instate its full placement capacity should a need for further capital arise.

If Item 9 is not passed at the AGM, the Company's 15% placement capacity under ASX Listing Rule 7.1 will remain reduced by the number of Placement Shares issued.

Specific information for shareholders required by ASX Listing Rule 7.5

Outlined below is the information required to be provided to shareholders in accordance with ASX Listing Rule 7.5 for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares:

1. 21,538,462 fully paid ordinary shares in the capital of the Company were issued on 28 April 2020.
2. The Placement Shares were issued at an issue price of A\$1.30 per Placement Share.
3. The Placement Shares are fully paid ordinary shares and rank equally with the existing fully paid ordinary shares on issue.
4. The Placement Shares were issued to a number of institutional investors, who are not related parties or associates of related parties of the Company.

5. The funds raised from the issue of the Placement Shares will be used to strengthen VHT's balance sheet and to fund further organic growth.
6. A voting exclusion statement is included in the Notice of Meeting.

Director's recommendation

Each of the Directors recommends that shareholders vote in favour of Item 9.

Item 10 - Auditor's remuneration

Under section 207T of the *Companies Act 1993* of New Zealand, the Company's auditor is automatically reappointed at the annual meeting as auditor of the Company. The Company's current auditor is PriceWaterhouseCoopers New Zealand.

Shareholder approval is being sought to authorise the Directors to fix the new auditor's remuneration for the ensuing year for the purposes of section 207S of the *Companies Act 1993*.

Director's recommendation

Each of the Directors recommends that shareholders vote in favour of Item 10.

No other material information

Other than as set out in this Explanatory Memorandum, and other than information previously disclosed to shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by shareholders regarding whether or not to vote in favour of any of the Items proposed at the AGM.

Important information

Record Date

Any person who is registered as a shareholder of the Company at 12pm (New Zealand time) on 17 August 2020 is entitled to attend and vote at the AGM or to appoint a proxy to attend and vote in their place.

Voting at the AGM

All voting on the resolutions to be proposed at the AGM will be conducted by way of a poll, rather than on a show of hands.

Proxies

Any shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote in their place.

Enclosed with this Notice of Meeting is a Proxy Form. For the appointment of a proxy to be valid, the Proxy Form must be received by Boardroom Pty Limited either by post to GPO Box 3993, Sydney NSW 2001, facsimile +61 2 9290 9655 or on-line via website voting at <https://www.votingonline.com.au/vhtagm2020> at least 48 hours before the start of the AGM (that is by 12pm (New Zealand time) on 17 August 2020).

A proxy need not be a member of the Company. If the Proxy Form is returned without direction as to how the proxy shall vote on the resolution, then the proxy may vote as he or she thinks fit on that resolution. The Chairman offers himself as a proxy to shareholders. If the Chairman is not instructed how to vote on any resolution, he will vote on, and in favour of, each resolution.

All joint holders of a share parcel must sign the Proxy Form.

Companies must have a Director, a duly authorised officer acting under the express or implied authority of the company, or an attorney duly authorised by the company, sign the Proxy Form on the company's behalf.

Corporate Representatives

A corporation that is a shareholder may appoint a representative to attend the AGM on its behalf in the same manner as that which it could appoint a proxy.

Powers of attorney

Any person representing a shareholder(s) by virtue of a power of attorney must bring a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company.

Postal Voting

Pursuant to the Company's constitution a shareholder may not exercise his/her right to vote at the AGM by casting a postal vote.

Questions from shareholders

Volpara Health Technologies Limited aims to ensure that annual general meetings and the Company's Annual Report meet shareholders' expectations. Your views are essential to this.

If you would like further information on the Company, or would like to ask the Company or the Company's auditor a question at this AGM, you may lodge your questions online by visiting the Company's Share Registry's website at <https://www.votingonline.com.au/vhtagm2020> or by completing the enclosed form and returning it in accordance with the instructions.

Questions for the AGM (including written questions to the auditor) must be received at any of the addresses below by 12pm on 17 August 2020. The Chairman of the AGM will answer as many of the frequently asked questions as possible.

The presentations from the Chairman and the Chief Executive Officer will be available immediately prior to the AGM on the Company's website at www.volparasolutions.com and on the ASX website at www.asx.com.au (Company code: VHT). Shareholders will also be given a reasonable opportunity at the AGM to ask:

- questions about, or make comments on, the management of the Company and the Annual Report; and
- the auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

If you would like to make a suggestion or comment on the Annual Report, please advise the Company in one of the following ways (this will allow us to incorporate your views into the content and design of future Annual Reports):

- online at the Company's Share Registry's website: www.boardroomlimited.com.au; or
- write to the Company's Share Registry or the Company Secretary at:

**Boardroom Pty Ltd
GPO Box 3993,
Sydney NSW 2001**

or post to:

**Company Secretary
Volpara Health Technologies Limited
P.O Box 24404, Wellington
New Zealand**

INDUSTRY: Healthcare

VOLPARA HEALTH TECHNOLOGIES LIMITED

A company registered in New Zealand with company number 2206998
(ARBN 609 946 867)

Level 14, Simpl House, 40 Mercer Street, Wellington Central, Wellington 6011

www.volparasolutions.com

COMPANY CONTACT

craig.hadfield@volparasolutions.com

ASX Code: VHT

For Further Information Contact:

craig.hadfield@volparasolutions.com

BOARD OF DIRECTORS

Paul Reid

Chairman

Roger Allen

Non-Executive Director

John Diddams

Non-Executive Director

Ralph Highnam

Managing Director and CEO

John Pavlidis

Non-Executive Director

Monica Saini

Non-Executive Director

Karin Lindgren

Non-Executive Director

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE AT THE AGM IS IMPORTANT

For your proxy vote for the Annual General Meeting of Volpara Health Technologies Limited to be effective it must be received **before 10:00am (AEST) / 12:00pm (NZ Time) on Monday 17 August 2020.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/vhtagm2020>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged the Power of Attorney with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it. In addition, if you sign this form under a Power of Attorney (regardless of whether or not the Power of Attorney has already been lodged with the registry), a signed certificate of non-revocation of the Power of Attorney must be attached to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **10:00am (AEST) 12:00pm (NZ Time) on Monday 17 August 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/vhtagm2020>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Volpara Health Technologies Limited

ARBN 609 946 867

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Volpara Health Technologies Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Level 14, Simpl House, 40 Mercer Street Wellington Central, Wellington 6011** and via Webcast <https://webcast.openbriefing.com/5429/> on **Wednesday, 19 August, 2020 at 10:00am (AEST) / 12:00pm (NZ Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

All voting at the AGM will be conducted on a poll. The Chair of the Meeting will vote all undirected proxies in favour of all items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Item 2	To re-elect John Diddams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	To re-elect Roger Allen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	To re-elect Karin Lindgren as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	To approve grant of options to Karin Lindgren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	To approve grant of options to Ralph Highnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Amendment to the terms of grant options to Mark Koeniguer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Amendment to the terms of grant options to Lyn Swinburne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Ratification of previous issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 10	Auditor's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

3445-0956-5968, v. 1

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020