



CardieX Limited

ACN 113 252 234

**Notice of Annual General Meeting and
Explanatory Statement**

TIME: 9:00am (Australian Eastern Daylight Time)
DATE: Friday, 11 December 2020
PLACE: BDO, Level 11, 1 Margaret St, Sydney NSW 2000

This Notice and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of CardieX Limited (**Company**) will be held at 9:00am Australian Eastern Daylight Time on Friday, 11 December 2020 at BDO, Level 11, 1 Margaret St, Sydney NSW 2000 for the purposes of transacting the following business.

Terms used in this Notice and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the matters to be considered at the Annual General Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial statements, the directors' report and the audit report of the Company for the year ended 30 June 2020.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 30 June 2020."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a closely related party of such member.

However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2: RE-ELECTION OF MR. NIALL CAIRNS AS A DIRECTOR

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

"That Niall Cairns, being a Director of the Company, who retires by rotation in accordance with clause 6.1 of the Company's Constitution, and offers himself for re-election, be re-elected as a Director of the Company."

4. RESOLUTION 3: ELECTION OF MR. JARROD WHITE AS A DIRECTOR

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

“That Jarrod White, who has been appointed to the Board since the Company’s last annual general meeting and offers himself for election, be elected as a Director of the Company.”

5. RESOLUTION 4: RATIFICATION OF PRIOR SHARE ISSUE (PLACEMENT) FOR PURPOSE OF LISTING RULE 7.4: RE-SET OF 15% THRESHOLD

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of 83,333,334 Shares on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a person who participated in the issue;
a person whose votes, in ASX’s opinion, should be disregarded.

6. RESOLUTION 5: APPROVE ISSUE OF OPTIONS ASSOCIATED WITH PLACEMENT

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of up to 16,666,666 Options on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a person who holds an option that is the subject of the approval; or
a person whose votes, in ASX's opinion, should be disregarded.

7. RESOLUTION 6: APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a person who is expected to participate in the proposed issue;
any person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

8. RESOLUTION 7: ISSUE OF SHARES TO MR. ZIHAN LIN

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr. ZiHan Lin (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

- 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
- 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

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

The Company will disregard votes cast by:
a person who is expected to participate in the proposed issue, being Mr ZiHan Lin or his nominee;
any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

9. **RESOLUTION 8: ISSUE OF PERFORMANCE RIGHTS TO MR. KING NELSON**

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

"That, for the purpose of Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 3,500,000 Performance Rights under the Option and Performance Rights Plan to Mr. King Nelson (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a director or an associate of a director who is eligible to participate in the employee incentive scheme in question;;
the person who is to receive the +securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

10. RESOLUTION 9: ISSUE OF PERFORMANCE RIGHTS TO MR. NIALL CAIRNS

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

"That, for the purpose of Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 68,000,000 Performance Rights under the Option and Performance Rights Plan to Mr. Niall Cairns (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a director or an associate of a director who is eligible to participate in the employee incentive scheme in question;;
the person who is to receive the +securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

11. RESOLUTION 10: ISSUE OF PERFORMANCE RIGHTS TO MR. CRAIG COOPER

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

“That, for the purpose of Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 68,000,000 Performance Rights under the Option and Performance Rights Plan to Mr. Craig Cooper (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a director or an associate of a director who is eligible to participate in the employee incentive scheme in question;;
the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX’s opinion, should be disregarded.

12. RESOLUTION 11: ISSUE OF PERFORMANCE RIGHTS TO MR. JARROD WHITE

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

“That, for the purpose of Listing Rule 10.14, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 21,000,000 Performance Rights under the Option and Performance Rights Plan to Mr. Jarrod White (or his nominee), on the terms and conditions set out in the Explanatory

Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
a director or an associate of a director who is eligible to participate in the employee incentive scheme in question;;
the person who is to receive the +securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

13. RESOLUTION 12: ISSUE OF SHARES TO MR. JARROD WHITE

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 1,000,000 Shares to Mr. Jarrod White (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
the person who is to receive the securities in question, being Mr Jarrod White or his nominee;
any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

14. **RESOLUTION 13: ISSUE OF SHARES TO A RELATED PARTY – C2 VENTURES PTY LTD**

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 17,681,818 Shares to C2 Ventures Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

- 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
- 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

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

The Company will disregard votes cast by:
the person who is to receive the +securities in question, being C2 Ventures Pty Ltd;
the person who is to receive the +securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a person whose votes, in ASX's opinion, should be disregarded.

15. **RESOLUTION 14: ISSUE OF OPTIONS TO A RELATED PARTY – C2 VENTURES PTY LTD**

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

“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 4,420,455 Options to C2 Ventures Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

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

The Company will disregard votes cast by:
the person who is to receive the securities in question, being C2 Ventures Pty Ltd;
any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity);
a director of the Company; or
a person whose votes, in ASX's opinion, should be disregarded.

16. RESOLUTION 15: APPOINTMENT OF AUDITOR

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

“That, for the purposes of section 327B (1) of the Corporations Act 2001 and for all other purposes, BDO Audit Pty Ltd of 1 Margaret Street, Sydney NSW 2000, having been nominated by a shareholder/member and consented in writing to act as auditor of the Company, be appointed auditor of the Company, effective immediately”.

17. RESOLUTION 16: APPROVAL OF PERFORMANCE RIGHTS AND OPTION PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13) and for all other purposes, approval be given to the Company's Performance Rights and Option Plan, and issue of securities thereunder, as described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting as set out below; or
- an associate of that person or those persons.

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will disregard votes cast by:
a person who is eligible to participate in the Company's Performance Rights and Option Plan;
a person whose votes, in ASX's opinion, should be disregarded.

DATED: 12 November 2020

BY ORDER OF THE BOARD

Jarrold White
Director



INFORMATION FOR SHAREHOLDERS WITH REGARD TO VOTING ARRANGEMENTS

The following information forms part of the Notice of Annual General Meeting.

Voting Entitlements

For the purpose of the Annual General Meeting, the Company has determined that all securities of the Company that are quoted securities at 7:00pm Australian Eastern Daylight Time on 9 December 2020 will be taken, for the purpose of the AGM, to be held by the persons who were registered holders at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Proxies

A Shareholder has the right to appoint a proxy who need not be a Shareholder of the Company.

If a Shareholder is entitled to two or more votes, they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

The Proxy Form (which is enclosed with this Notice of Meeting) and any power of attorney or authority under which they are signed must be received at the share registry of the Company:

c/- Link Market Services Ltd

Locked Bag A14

Sydney South, NSW 1235, Australia or:

At the Company's Registered Office

Suite 303, Level 3

15 Lime Street

Sydney NSW 2000

By Hand

Link Market Services Limited

1A Homebush Bay Drive, Rhodes NSW 2138; or

Level 12, 680 George Street, Sydney NSW 2000 or

by facsimile to Link Market Services Ltd on +61 (2) 9287 0309 or **online at**

www.linkmarketservices.com.au

At least 48 hours prior to the AGM (i.e. by no later than **9am Australian Eastern Daylight Time on 9 December 2020**) or any adjournment.

Any Proxy Form received after this deadline, including at the Meeting, will be invalid.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at an Annual General Meeting to be held at 9:00am Australian Eastern Daylight Time on Friday, 11 December 2020 at BDO, Level 11, 1 Margaret St, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

ASX takes no responsibility for the contents of the Notice or the Explanatory Statement.

This Explanatory Statement does not take into account any person's investment objectives, financial situation or particular needs. If you are in any doubt about what to do in relation to the Meeting you should consult your financial or other professional adviser.

OVERVIEW – PROPOSED ISSUES AND THEIR IMPACT ON THE COMPANY'S ISSUED CAPITAL

Under Listing Rule 7.1, a listed company may not issue shares if the shares issued, when aggregated with other shares issued over the previous 12 months and not subject to an exception to Listing Rule 7.1, exceed 15% of the issued capital of the Company.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities which has already taken place, for the purposes of excluding that number of securities from the calculation of the 15% threshold under Listing Rule 7.1.

The resolutions proposed for this meeting each relate to past or proposed issues of securities and seek to exempt them from being counted towards the 15% limit if future issues are made. We have included a table here to assist Shareholders in understanding the cumulative effect of these resolutions.

Table 1:

Resolution	Transaction	Undiluted Value	% Share of Total Securities Issued	Fully Diluted Value ¹	% Share of Total Securities Issued	Amount Raised \$
N/A	Total number of Shares pre-placement if all pre-placement options exercised and performance rights vested	754,368,092	88%	957,791,627	77%	
4	Placement Shares Total number of shares (fully diluted)	83,333,334	10%	83,333,334	7%	2,500,000
5	Placement Options	-	0%	16,666,666	1%	-

	Total number of securities (fully diluted)					
7	Issue to Employee - ZiHan Lin Total numbers of shares (fully diluted)	1,000,000	0%	1,000,000	0%	-
8	Issue to Director - King Nelson Total number of performance rights to be issued if shareholder approval granted	-	0%	3,500,000	0%	-
9	Issue to Director - Niall Cairns Total number of performance rights to be issued if shareholder approval granted	-	0%	68,000,000	5%	-
10	Issue to Director - Craig Cooper Total number of performance rights to be issued if shareholder approval granted	-	0%	68,000,000	5%	-
11	Issue to Director - Jarrod White Total number of performance rights to be issued if shareholder approval granted	-	0%	21,000,000	2%	-
12	Issue to Director - Jarrod White Total number of shares to be issued if shareholder approval granted	1,000,000	0%	1,000,000	0%	-
13/14	Issue to Related Party - C2 Ventures Pty Ltd Total number of Shares and Options	17,681,818	2%	22,102,273	2%	500,000
	Total Number of Securities Issued Assuming all Transactions Passed	857,383,244	100%	1,242,393,900	100%	3,000,000
	Number of Shares which could be allotted in the next 12 months before approval required under Listing Rule 7.1 and in the absence of an exception to Listing Rule 7.1	128,607,486	15%	124,239,390	10%	-

¹ See glossary for definition

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General

Meeting. The Annual Financial Statements for the period ended 30 June 2020 are included in the Company's annual financial report, a copy of which can be accessed online at cardiex.com/investors/company-reports. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, BDO Audit Pty Ltd, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the Auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's Auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit, may be submitted no later than 5 business days before the meeting date:

In person or post to: Suite 303, 15 Lime Street SYDNEY NSW 2000

By email to: pleighfield@cardiex.com

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

2.1. Background

Pursuant to Section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the financial year ended 30 June 2020 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2020 Annual Report. The Annual Report is available on the Company's website at cardiex.com/investors/company-reports.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2020.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.2. Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account

the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% “no” vote.

2.3. Board Recommendation

The Directors do not make a recommendation to shareholders with respect to Resolution 1 due to being excluded from voting on this resolution. However, the Chairman intends to vote all undirected proxies in favour of Resolution 1.

3. RESOLUTION 2: RE-ELECTION OF MR. NIALL CAIRNS AS A DIRECTOR

3.1. Background

Clause 6.1(f) of the Company’s Constitution requires that at least one third of directors (not including the Managing Director or any person appointed as an addition to the Board and also standing for election), rounded down to the nearest whole number, must retire from office at each Annual General Meeting as must any Director who has been in office for three or more years at the conclusion of the Meeting or it is three or more AGM’s since he or she was last elected to office. Accordingly, Mr. Niall Cairns is offering himself for re-election in accordance with clause 6.1(f) of the Company’s Constitution.

3.2. Biography

Mr Cairns was appointed as a Director of the Company on 20 December 2017 and as the Executive Chairman on 27 February 2019.

Mr Cairns is a Sydney based technology growth investor with over 25 years of track record of value creation, restructuring, and exits in both listed and unlisted companies having assisted in driving the global growth of over 50 companies in sectors as diverse as digital media, Agtech, Medtech, consumer Internet, and SaaS based businesses. Niall is currently the Chairman of Tambla Limited and a non-executive director of Consolidated Financial Holdings Limited.

3.3. Board recommendation

The Directors (other than Mr. Cairns) recommend that shareholders vote in favour of this Resolution.

4. RESOLUTION 3: ELECTION OF MR. JARROD WHITE AS A DIRECTOR

4.1 Background

Jarrold White was appointed as a Director of the Company on 21 May 2020 as an additional Director to the Board.

In accordance with Listing Rule 14.1 and clause 6.1 of the Company’s Constitution, a Director appointed as an addition to the Board must not hold office, without election, past the next annual general meeting of the Company.

4.2 Biography

Jarrold White is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm. In conjunction with his Corporate Advisory roles at Traverse Mr. White has been appointed Company Secretary and Chief Financial Officer of several other listed entities that operate on the Australian Stock Exchange and has a sound knowledge of corporate governance and compliance. Jarrod has also been an advisor to a wide range of capital raisings, IPO’s and reverse takeover transactions and has a focus on working with growing Companies in the exploration, technology and biotech space.

4.3 Board recommendation

The Directors (other than Mr. White) recommend that shareholders vote in favour of this Resolution.

5. RESOLUTIONS 4 AND 5: RATIFICATION OF PLACEMENT SHARES AND OPTIONS

5.1 Background

Resolutions 4 and 5 seek Shareholder approval to ratify the issue of 83,333,334 Shares and 16,666,666 Options which was undertaken by way of a placement to professional and sophisticated investors, as announced to the ASX on 27 July 2020 and issued on 3 August 2020.

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will, in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Listing Rule 7.1A provides that, in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1. Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to an additional 10% under Listing Rule 7.1A if shareholders ratify the previous issue of securities.

Accordingly, under Resolutions 4 and 5, the Company seeks Shareholders' approval for, and ratification of, the issue of a total of 83,333,334 Shares and 16,666,666 Options, comprising the following:

- (a) 45,579,455 Shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months;
- (b) 35,753,879 Shares so as to restore the capacity of the Company to issue further Equity Securities under Listing Rule 7.1A; and
- (c) 16,666,666 Options so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

The effects of potential dilution upon the above ratifications can be reviewed in Table 1 above. In the event that Resolutions 4 and 5 are not passed, the capacity of the Company to issue Shares under Listing Rules 7.1 and 7.1A will not be restored, and the ability to issue Shares under Listing Rules 7.1 and 7.1A will be reduced accordingly.

5.2 Listing Rule Requirements

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) **Number of securities issued**
Under Resolution 4, the Company seeks from Shareholders approval for, and ratification of, the issue of 83,333,334 Shares.

Under Resolution 5, the Company seeks from Shareholders approval for, and ratification of, the issue of 16,666,666 CDXO Options.
- (b) **The price at which the securities were issued**
The Shares were issued for 3 cents per Share.

The Options were free-attaching and issued on a 1 for 5 basis of the Shares issued in the Placement, as noted in Section 5.1 above.

(c) **Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company has applied to ASX for official quotation of the Shares on 31 July 2020.

The Options are \$0.05 CDXO Options which expire on 30/11/2021. The Options rank equally to the other CDXO Options of the Company. Refer to Schedule 2 for details.

The Company has applied to ASX for official quotation of the Options on 31 July 2020.

(d) **The names of the persons to whom the entity issued the securities or the basis on which those persons were determined**

The Shares the subject of this Resolution 4 and Options subject of this Resolution 5 were allotted to professional and sophisticated investors who participated in the Company's equity raising, undertaken via the placement, as announced to ASX on 27 July 2020 and issued on 3 August 2020.

(e) **The use of the funds raised**

The funds raised from the issue of the Shares the subject of this Resolution 4 and any funds raised upon exercise of the Options the subject of Resolution 5 will be used to develop the Company's new product range.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolutions 4 and 5 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

5.3 Board Recommendation

The Board believes that the ratification of these issues is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months, and up to the 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolutions 4 and 5.

6. RESOLUTION 6: APPROVAL ADDITIONAL 10% PLACEMENT CAPACITY

6.1 Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities totalling up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, at the time of the entity's annual general meeting. If the Company does not meet the eligibility criteria on the date of the Meeting, the Resolution will be withdrawn and Shareholders will not be required to vote on this Resolution.

Resolution 6 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual

General Meeting. The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below in section 6.2(c). In the event that Resolution 6 is not passed, the capacity of the Company to issue Shares under Listing Rule 7.1A will not be approved, and accordingly the ability to issue Shares under Listing Rule 7.1A will not be permitted.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue two classes of quoted Equity Securities, being Shares (ASX:CDX) and Listed Options (ASX:CDXO).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

6.2 Listing Rule 7.3A Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Minimum Issue Price

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 business days.

(b) Dilution

As at the date of this Notice of Annual General Meeting, the Company has 837,701,426 Shares on issue. Accordingly, if Shareholders approve Resolution 6, the Company will have the capacity to issue approximately 83,770,143 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

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

Where:

- A =** the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:
- I. plus the number of fully paid +ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17
 - II. plus the number of fully paid +ordinary securities issued in the relevant period on the +conversion of +convertible securities within rule 7.2 exception 9 where:
 - the +convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the +convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - III. plus the number of fully paid +ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
 - IV. plus the number of any other fully paid +ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
- Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.*
- V. plus the number of partly paid +ordinary securities that became fully paid in the relevant period,

less the number of fully paid +ordinary securities cancelled in the relevant period.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D = 10%

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

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (i) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.069 50% increase in Issue Price
Current Variable A 837,701,426 Ordinary Shares	Shares issued (10% Voting Dilution)	83,770,143 New Shares	83,770,143 New Shares	83,770,143 New Shares
	Funds raised	\$1,926,713	\$3,853,427	\$5,780,140
50% increase in current Variable A 1,256,552,139 Ordinary Shares	Shares issued (10% Voting Dilution)	125,655,215 New Shares	125,655,215 New Shares	125,655,215 New Shares
	Funds raised	\$2,890,070	\$5,780,140	\$8,670,210
100% increase in current Variable A 1,675,402,852 Ordinary Shares	Shares issued (10% Voting Dilution)	167,540,286 New Shares	167,540,286 New Shares	167,540,286 New Shares
	Funds raised	\$3,853,427	\$7,706,853	\$11,560,280

The table has been prepared on the following assumptions:

1. Variable A is 837,701,426 being the number of Shares on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No options or performance rights are exercised into Shares before the date of issue of the Equity Securities.

The Company currently has 36 million performance rights and 167,423,535 Options on issue prior to the resolutions considered under this notice of meeting.
4. The Company has not issued any other Equity Securities using its placement capacity under Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All

Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
8. The issue price is \$0.046, being the closing price of the Shares on ASX on 9 November 2020.

(c) Issue Period

If Shareholders approve Resolution 6, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking); and
- (iii) the time and date of the entity's next annual general meeting;

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(d) Purpose of issues

At the date of this Notice of Annual General Meeting, the Company has not identified any persons to whom it intends to offer securities under Listing Rule 7.1A. In the event that the Company issues any Shares under Listing Rule 7.1A, the funds raised from such an issue would be used by the Company to advance its business activities and the development of new products.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to whom Equity Securities will be issued to will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom Equity Securities will be issued under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who, in either case, are not related parties or associates of a related party of the Company.

(f) Previous issues of Equity Securities under Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2019. Subsequent to obtaining that approval and in conduct of a placement completed throughout July and August 2020, 35,753,879 ORD shares were issued on terms equivalent to other placement shares issued at \$0.03 on 31 July 2020. These shares were subject to ratification in Resolution 4.

The following securities have been issued in the past 12 months:

Issue Date	Type of Security	Number of Securities	Price of Issue and Recipient of Securities
21/11/2019	Ord Shares (CDX)	21,343,425	Shares issued upon conversion of Notes at \$0.03 LR 7.1 capacity .
23/1/2020	Ord Shares (CDX)	36,363,637	Placement Participants in Placement at \$0.0275 during July 2020 using LR 7.1 capacity .
23/01/2020	Listed Options (CDXO)	9,090,910	Placement Participants in Placement at \$NIL during July 2020 using LR 7.1 capacity .
02/07/2020	Ord Shares (CDX)	1,158,802	Placement at \$0.023 during July 2020 using LR 7.1 capacity .
03/08/2020	Ord Shares (CDX)	45,579,455	Placement Participants in Placement at \$0.03 during August 2020 using LR 7.1 capacity and subject to ratification in Resolution 5.
03/08/2020	Ord Shares (CDX)	35,753,879	Placement Participants in Placement at \$0.03 during August 2020 using LR 7.1A capacity and subject to ratification in Resolution 5.
03/08/2020	Listed Options (CDXO)	16,666,666	Placement Participants in Placement at \$NIL during August 2020 using LR 7.1 capacity and subject to ratification in Resolution 6.
Total	Equity Securities	165,956,774	All Securities Issued in the 12 months preceding

The above issues of Equity Securities total 165,956,774 in total securities issued in the previous 12 months. The total number of Equity Securities on issue prior to 21/11/2019 was 893,031,047 Equity Securities being:

Equity Security	Number
ORD (CDX)	695,502,228
Listed Options (CDXO)	97,497,625
Performance Rights	36,000,000
Unlisted Options	63,810,000
Convertible Notes	221,194
Total	893,031,047

The total number of Equity Securities issued in the past 12 months (165,956,774) is 19% of the total Equity Securities on issue at 21/11/2019.

(g) Voting exclusion statement

A voting exclusion statement for Resolution 6 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

As at the date of this Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances, for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

6.3 Board recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 6.

7. RESOLUTION 7 – ISSUE OF SHARES TO MR. ZIHAN LIN

Resolution 7 seeks Shareholder approval to approve the issue of 1,000,000 Shares to be undertaken by way of a placement in lieu of cash payment for services rendered to the Company, as an employee.

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Accordingly, under Resolution 7, the Company seeks from Shareholders approval for the issue of a total of 1,000,000 Shares, comprising 1,000,000 Shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months. In the event that Resolution 7 is not passed, the Company will still be able to issue Shares to Mr ZiHan Lin but any Shares issued will count towards the Company's capacity to issue Shares under Listing Rule 7.1.

7.1 Listing Rule Requirements

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) Number of securities issued

Under Resolution 7, the Company seeks from Shareholders approval for the issue of 1,000,000 Shares.

(b) **The date and price at which the securities to be issued**

The Shares are to be issued with a value of 5 cents per Share within 28 days of the Meeting.

(c) **Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares.

(d) **The names of the persons to whom the entity issued the securities or the basis on which those persons were determined**

The Shares the subject of this Resolution 7 are to be allotted to an employee of the Company, Mr ZiHan Li, who is not a related party.

(e) **The use of the funds raised**

There are no funds to be raised from this share issue.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 7 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

7.2 Board Recommendation

The Board believes that the issue of these Shares is beneficial for the Company as it allows the Company to save on a cash payment of remuneration to the employee. Accordingly, the Board recommends Shareholders vote in favour of Resolution 7.

8. RESOLUTIONS 8 – 11: ISSUE OF PERFORMANCE RIGHTS TO MESSRS NELSON, CAIRNS, COOPER AND WHITE

8.1 Background

Shareholders are being asked to approve Resolutions 8 – 11 to allow Performance Rights to be issued to Directors under the Company's Performance Rights and Option Plan (**Plan**). The Board has determined that the grant of Performance Rights under the Plan to Directors is an appropriate form of long term incentive for the Company's Key Management Personnel, which forms part of the Company's overall remuneration framework which is designed to support and reinforce its business strategy. A more detailed overview of the Plan is set out at Schedule 1.

The Board absent Mr Nelson has considered that a smaller number of performance rights being awarded to him is a fair and reasonable remuneration to Mr Nelson requisite with his tenure with the Company and relative performance hurdles that form the vesting criteria of those performance rights. It is also noted that the Board has issued a proportion of performance rights relative to the services as a Non-Executive Director at a level that is not expected to influence Mr Nelson's conduct or services as a Non-Executive Director relative to the proposed performance rights issued to Executive Directors.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to issue the following Options to Directors under Resolutions 8 – 11:

Resolution	Director	Number of Rights	Vesting Criteria CDX Share Price Hurdle*	Expiry Date
8	Mr. King Nelson	3,500,000	500,000 vest at \$0.12 500,000 vest at \$0.15 500,000 vest at \$0.20 1,000,000 vest at \$0.25 1,000,000 vest at \$0.50	11 December 2023
9	Mr. Niall Cairns	68,000,000	4,000,000 vest at \$0.12 4,000,000 vest at \$0.15 10,000,000 vest at \$0.20 25,000,000 vest at \$0.25 25,000,000 vest at \$0.50	11 December 2023
10	Mr. Craig Cooper	68,000,000	4,000,000 vest at \$0.12 4,000,000 vest at \$0.15 10,000,000 vest at \$0.20 25,000,000 vest at \$0.25 25,000,000 vest at \$0.50	11 December 2023
11	Mr. Jarrod White	21,000,000	2,500,000 vest at \$0.12 2,500,000 vest at \$0.15 4,000,000 vest at \$0.20 6,000,000 vest at \$0.25 6,000,000 vest at \$0.50	11 December 2023

* Vesting is achieved upon the Company share price achieving a trade at, or above, the vesting price criteria noted in the table above.

8.2 Listing Rule requirements

Listing Rule 10.11 provides a general restriction against issuing securities to directors without shareholder approval.

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11. In addition, approval is not also required under Listing Rule 7.1 for the issue of new Shares under Resolutions 8 – 11.

In the event that any of Resolutions 8 – 11 are not passed, the Company will not be able to issue Performance Rights to that person or their nominee.

In compliance with Listing Rule 10.15, the following information is provided in relation to Resolutions 8 – 11.

(a) Nature of relationship between person to receive securities and the Company

The Performance Rights are proposed to be issued to Mr. King Nelson, Mr. Niall Cairns, Mr. Craig Cooper and Mr. Jarrod White (or their respective nominees), each of whom is a Director of the Company and, as such, is a related party of the Company. Details of their remuneration are set out in section 8.3(f) below.

(b) Maximum number of securities that may be acquired pursuant to Resolutions 8 – 11

The maximum number of Performance Rights to be issued to each Director is as set out in section 8.1 above.

(c) Issue price

The Performance Rights the subject of Resolutions 8 – 11 will be issued for nil consideration.

(d) Previous issues under the Performance Rights and Option Plan

The following persons referred to in Listing Rule 10.14, have received securities under the Plan since its last approval on 28 May 2018:

Name	Number of securities	Acquisition price of securities
Mr. Craig Cooper	36,000,000 Performance Rights	Nil

(e) Eligible participants under the Option and Performance Rights Plan

Directors, full time or part time employees and eligible contractors or casual employees of the Company or an Associated Body Corporate are eligible to participate in the Plan.

(f) Issue date

The latest date that the Company will issue Options under Resolutions 8 – 11 will be no later than 12 months after the date of the Meeting, or such later date as approved by ASX.

(g) Loan in connection with acquisition of securities under the Company's employee incentive scheme

No loans or other financial assistance have or will be made by the Company in connection with the issue of the relevant Options.

(h) Terms of the employee incentive scheme

Refer to Schedule 1 for details of the Scheme.

(i) Voting exclusion statement

Voting exclusion statements for Resolutions 8 – 11 are included in the Notice of Annual General Meeting preceding this Explanatory Statement.

(j) Listing Rule 10.14 disclosures

Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule

8.3 Chapter 2E of the Corporations Act

The issue of the Performance Rights under Resolutions 8 – 11 constitutes the provision of a financial benefit to a related party and accordingly, the Company has determined to seek shareholder approval for the purposes of section 208 of the Corporations Act.

In compliance with the information requirements of Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 8 – 11.

(a) Identity of related party

Performance Rights are proposed to be issued to Mr. King Nelson (under Resolution 8), Mr. Niall Cairns (under Resolution 9), Mr. Craig Cooper (under Resolution 10) and Mr. Jarrod White (under Resolution 11).

(b) Nature of the financial benefit

The financial benefit proposed to be given:

- (i) under Resolution 8, is the issue of 3,500,000 Performance Rights to Mr. King Nelson (or his nominee);
- (ii) under Resolution 9, is the issue of 68,000,000 Performance Rights to Mr. Niall Cairns (or his nominee);
- (iii) under Resolution 10, is the issue of 68,000,000 Performance Rights to Mr. Craig Cooper (or his nominee); and
- (iv) under Resolution 11, is the issue of 21,000,000 Performance Rights to Mr. Jarrod White (or his nominee).

The terms of the Performance Rights are set out at Schedule 1.

(c) Valuation of financial benefit

The Company has calculated the value of each Option as being \$0.018. The Company has valued the Options using the binomial option pricing model under the following assumptions:

Assumption / Variable	
Valuation Date	9 November 2020
Market Price of Shares (at Valuation Date)	\$0.049
Exercise Price	\$0.00
Expiry Date	11 December 2023
Risk Free Interest Rate	0.23%
Volatility	90%
Dividend Yield	N/A
Indicative value	Listed and vesting prices.

(d) Dilution

The Performance Rights, if converted into Shares:

- (v) under Resolution 8, will in aggregate be equal to 0.37% of the Company's share capital;
- (vi) under Resolution 9, will in aggregate be equal to 7.10% of the Company's share capital;
- (vii) under Resolution 10, will in aggregate be equal to 7.10% of the Company's share capital; and
- (viii) under Resolution 11, will in aggregate be equal to 2.19% of the Company's share capital

assuming the implementation of all the Resolutions (based on the number of Shares on issue as at the date of this Notice), and no other issue of Shares is made by the Company in the interim.

(e) Interests of related party in the Company

The interests Mr. King Nelson, Mr. Niall Cairns, Mr. Craig Cooper and Mr. Jarrod White in securities of the Company as at the date of this Notice are set out in the table below:

Related party	Relevant Interest
Mr. King Nelson	153,846 Shares 1,500,000 Options
Mr. Niall Cairns	78,589,525 Shares 37,500,000 Options 1,500,000 Unlisted Options
Mr. Craig Cooper	75,000,000 Shares 37,500,000 Options 1,500,000 Unlisted Options 36,000,000 Performance Rights
Mr. Jarrod White	3,257,577 Shares 1,897,728 Options

(f) Remuneration of directors

The total annual remuneration arrangements for each of the relevant Directors as at the date of this Notice are set out below:

Director	Remuneration
Mr. King Nelson	US\$21,660 per annum
Mr. Niall Cairns	\$179,000 per annum
Mr. Craig Cooper	US\$300,000 per annum
Mr. Jarrod White	\$30,000 per annum

8.4 Directors' recommendation

The Directors consider that the issue of Performance Rights to its personnel are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

The Company considers that, to enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

The Directors do not make a recommendation to Shareholders in relation to resolutions 8 – 11 due to their material personal interests in the outcome of the Resolutions on the basis that they are to be granted securities in the Company should the Resolutions be passed and that these relate to each other Directors' remuneration.

9. RESOLUTION 12: ISSUE OF SHARES TO MR. JARROD WHITE

9.1 Background

Shareholders are being asked to approve Resolution 12 to allow Shares to be issued to Mr. Jarrod White, a Director, in lieu of cash payment for Director's Fees. This issue of Shares are in lieu of cash payments of Directors Fees otherwise due to Mr White in cash for the financial year 1 July 2020 to 30 June 2021.

It is noted that Mr White has waived any fee for the month of June 2020 being the month of his appointment.

It is further noted that if Mr White ceases to be a Director during the referenced period to 30 June 2021, and given that the shares are being issued as a balance of in arrears and in advance of future service over that period, that he will repay the Company the proportionate amount of advanced payment by way of shares in cash. There is no escrow period

proposed for this Share issue.

The Board has determined that the grant of Shares is an appropriate form of long term incentive for the Company's Key Management Personnel, which forms part of the Company's overall remuneration framework which is designed to support and reinforce its business strategy.

Accordingly, the Company is proposing, subject to obtaining Shareholder approval, to issue 1,000,000 Shares under Resolution 12, being \$30,000 worth of Director's Fees at an issue price of \$0.03 per share, being the price of the Placement proposed to be ratified under Resolution 4 and above the price on Mr White's date of appointment of Director and assumption of Director's duties.

9.2 Listing Rule requirements

Listing Rule 10.11 provides a general restriction against issuing securities to directors without shareholder approval.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1 for the issue of new Shares under Resolution 12.

In the event that Resolution 12 is not passed, the Company will not be able to issue Shares to Mr White in lieu of a cash payment of fees, and such fees will need to be paid in cash.

In compliance with Listing Rule 10.13, the following information is provided in relation to Resolution 6.

(a) Nature of relationship between person to receive securities and the Company

The Shares are proposed to be issued to Mr. Jarrod White (or his nominee) who is a Director of the Company and, as such, is a related party of the Company.

(b) Maximum number of securities that may be acquired pursuant to Resolution 12

The maximum number of securities to be issued to Mr. White under this Resolution 12 is 1,000,000 Shares, as described in more detail in section 9.1 above.

(c) Issue price

The Shares the subject of Resolution 12 will be issued for nil consideration. The Shares to be issued will be issued at an issue price equivalent to \$0.03 per share.

(d) Issue date

The latest date that the Company will issue the Shares under Resolution 12 will be no later than 28 days after the date of the Meeting, or such later date as approved by ASX.

(e) Use of funds raised

No funds will be raised from the issue of the Share the subject of this Resolution 12.

(f) Remuneration

Details of Mr White's remuneration is set out in section 9.3 (f) below.

(g) Voting exclusion statement

Voting exclusion statements for Resolution 12 are included in the Notice of Annual General Meeting preceding this Explanatory Statement.

9.3 Chapter 2E of the Corporations Act

The issue of the Shares under Resolution 12 constitutes the provision of a financial benefit to a related party and accordingly, the Company has determined to seek shareholder approval for the purposes of section 208 of the Corporations Act.

In compliance with the information requirements of Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution 12.

(a) Identity of related party

The Shares are proposed to be issued to Mr. Jarrod White.

(b) Nature of the financial benefit

The financial benefit proposed to be given under Resolution 12 is the issue of 1,000,000 Shares to Mr. Jarrod White (or his nominee), as described in further detail in section 9.1 of this Explanatory Statement.

(c) Valuation of financial benefit

The Company has calculated the value of the Shares as being 1,000,000 Shares for an equivalent consideration of \$30,000.

(d) Dilution

The Shares will in aggregate be equal to 0.12% of the Company's share capital, assuming the implementation of all the Resolutions (based on the number of Shares on issue as at the date of this Notice), and no other issue of Shares is made by the Company in the interim.

(e) Interests of related party in the Company

The interests of Mr. White in securities of the Company as at the date of this Notice are set out in the table below:

Related party	Relevant Interest
Mr. Jarrod White	3,257,577 Shares 1,897,728 Options

(f) Remuneration of directors

The total annual remuneration arrangements for Mr. White as at the date of this Notice are set out below:

Director	Remuneration
Mr. Jarrod White	\$30,000 per annum

9.4 Directors' recommendation

The Board believes that the issue of these Shares is beneficial for the Company as it allows the Company to save on a cash payment of remuneration to the employee. Accordingly, the Directors, other than Mr. White, recommend to Shareholders that they approve this Resolution.

10. RESOLUTION 13 AND 14: ISSUE OF SHARES AND OPTIONS TO A RELATED PARTY – C2 VENTURES PTY LTD

10.1 Background

On 20 December 2019 the Company announced that it had closed a \$1.5 million funding round, with C2 Ventures Pty Ltd, a related company of executive chairman Niall Cairns and CEO Craig Cooper, participating by way of a convertible loan of \$500,000, with the conversion into ordinary Shares subject to Shareholder approval. Resolutions 13 and 14 are being put to the Meeting to obtain that approval.

Under Listing rule 10.11 a Company must not issue or agree to issue equity securities to a related party of the Company, such as a person who is a director of the Company, the spouse or a child of a director, or an entity controlled by a director, without the Company first obtaining the approval by ordinary resolution of its shareholders.

The Company is seeking the approval of shareholders under ASX Listing Rule 10.11 to allow the Company to issue shares and options to C2 Ventures Pty Ltd, an entity controlled by 2 directors. In the event that Resolutions 13 or 14 are not passed, the Company will not be able to issue the shares and/or options to C2 Ventures Pty Ltd and the loan made by C2Ventures will remain payable in cash by the Company.

If shareholder approval is given under Listing Rule 10.11, approval is not also required under Listing Rule 7.1 for the issue of new securities under Resolutions 13 and 14.

10.2 Listing Rule requirements

The Company provides the following additional information in accordance with Listing Rule 10.13:

- (a) the related party is C2 Ventures Pty Ltd, the shareholders of which are entities associated with 2 Directors of the Company, Mr. Craig Cooper and Mr. Niall Cairns.
- (b) the maximum number of Shares for which the related party will subscribe is 17,681,818 Ordinary Shares.
- (c) the Shares will be issued within 5 Business Days post the date of the meeting and in any event no later than 1 month after the date of the meeting;
- (d) the issue price will be \$0.0275 per Share, and the Shares issued will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing ordinary shares; and
- (e) the funds raised from the issue of the Share the subject of this Resolution 13 will be used to develop the Company's new product range.

For each 4 Shares allotted to the Related Party, the Related Party will receive 1 Option. The Company provides the following additional information about the Options in accordance with Listing Rule 10.13:

- (a) 4,420,455 Options will be issued;
- (b) the Options will be issued no later than 1 month after the date of the meeting;
- (c) Options will be issued for no consideration;
- (d) the Options are \$0.05 CDXO Options which expire on 30/11/2021. The Options rank equally to the other CDXO Options of the Company. Refer to Schedule 2 for details;
- (e) the Company will apply to ASX for official quotation of the Options; and
- (f) the Options will be issued to C2 Ventures Pty Ltd.

The Board (with Mr Cairns and Mr Cooper abstaining from the deliberations), is of the view that:

- the issue of the Shares to the Related Party is on arms' length terms, as the share price is the same as in the Placements outlined in this document; and
- the issue of Options to the Related Party is on arms' length terms, as the option terms are identical to the terms of the other options outlined in this document; and

therefore there is no requirement for additional shareholder approval under Part 2E of the Corporations Act.

A summary of the principal terms of the Options is set out in Schedule 2.

The Board, other than Mr. Cairns and Mr. Cooper, recommends that you vote in favour of Resolutions 13 and 14.

11. RESOLUTION 15: APPOINTMENT OF AUDITOR

11.1 Background

As announced on the ASX on 27 August 2020, BDO Audit Pty Ltd ("BDO Audit") was appointed auditor of the Company following the resignation of BDO East Coast Partnership ("BDO ECP") and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001 ("the Act").

The change of auditor arose as a result of BDO ECP restructuring its audit practice to provide for audits to be conducted by BDO Audit, an authorised audit company, rather than by BDO ECP.

As a result of the timing of the change, BDO Audit filled a casual vacancy in accordance with s327C(1) of the Act. Under section 327C(2) of the Act, an auditor who has been appointed under s327C(1) of the Act only holds office until the Company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to s327B(1)(b) of the Act.

Pursuant to section 328B of the Act, the Company received a valid notice of nomination of auditor that nominated BDO Audit to be appointed as the auditor of the Company. A copy of the nomination is attached as Annexure A to this Notice of Meeting.

BDO Audit has provided the Company with its written consent to act, subject to shareholders'/members' approval being granted, as the Company's auditor in accordance with s328A(1) of the Act.

In accordance with s327B(1)(b) of the Act, an ordinary resolution is required at this Annual General Meeting to appoint BDO Audit as the Company's auditor and shareholders' approval is sought to that appointment.

The Directors recommend to Shareholders that they approve this Resolution.

12. RESOLUTION 16: APPROVAL OF PERFORMANCE RIGHTS AND OPTION PLAN

12.1 Background

The Company has previously adopted the Employee Performance Rights and Share Option Plan (**Plan**) under which Directors, executives and other employees may be offered the

opportunity to be granted performance rights entitling the holder to a share subject to the satisfaction of performance conditions and options to subscribe for shares (**Awards**).

The Plan was previously approved by shareholders on 28 May 2018.

The Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the current circumstances the Directors consider that the incentive plans are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as increased cash-based remuneration.

To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

As Directors of the Company may receive securities in the Company under the Plan, prior shareholder approval will therefore be required before a Director or related party of the Company can participate in an issue of Options under the Plan or an issue of Performance Rights under the Plan.

12.2 Regulatory Requirements

Approval is sought in respect of the adoption of the Plan under Listing Rule 7.2 (Exception 13) which provides an exception from the Listing Rule 7.1 15% annual limit on securities issued, under an employee incentive scheme provided, within three years before the date of issue, shareholders have approved the issue of securities under the plan. In the absence of such approval, the issue can still occur but is counted as part of the Listing Rule 7.1 15% limit which would otherwise apply during a 12 month period.

The following information is provided to shareholders for the purpose of Listing Rule 7.2 (Exception 13):

- (a) Please see Schedule 1 for a summary of the key terms of the Plan;
- (b) 36,000,000 Performance Rights and 167,423,535 Options have been issued under the Plan since the date of last approval on 28 May 2018; and
- (c) The current maximum number of Securities to be issued would be 41,885,071.

Voting exclusion statements for Resolution 16 in respect of the Plan are included in the Notice of Annual General Meeting preceding this Explanatory Statement. A copy of the Plan is available to Shareholders on written request.

Each of the Directors has an interest in the outcome of Resolution 16 and accordingly they do not make a voting recommendation to shareholders.

Glossary



AEDST means Australian Eastern Daylight-Saving Time.

Associated Body Corporate means a:

- (a) related body corporate of the Company under section 50 of the Corporations Act;
- (b) body corporate that has voting power in the Company of not less than 20%; or
- (c) body corporate in which the Company has voting power of not less than 20%;

ASX means ASX Limited or the securities market operated by ASX Limited, as the context requires;

Board means the board of Directors;

Chair means the chair of the Meeting;

Company means CardieX Limited ABN 62 113 252 234;

Constitution means the constitution of the Company;

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

Director means a director of the Company;

Equity Securities has the meaning given in the Listing Rules;

Explanatory Statement means the explanatory statement that accompanies this Notice of Annual General Meeting;

Fully Diluted means all Shares in the Company and all Performance Rights and Options in the Company assumed to be fully converted to Shares at the time of the report;

Key Management Personnel has the meaning given by section 9 of the Corporations Act;

Listing Rules means the official listing rules of ASX

Meeting, AGM or Annual General Meeting means the general meeting convened by this Notice of Annual General Meeting;

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of Annual General Meeting;

Option means an option to acquire an unissued Share.

Performance Right means an entitlement to a Share subject to the satisfaction of performance conditions;

Plan means the Company's Performance Rights and Option Plan;

Proxy Form means the proxy form enclosed with this Notice;

Resolution means a resolution contained in this Notice;

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

Shareholder means the holder of a Share.

Schedule 1 – Summary of Performance Rights and Option Plan

- (a) **Eligibility:** Participants in the Option and Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options and Performance Rights under the Option and Performance Rights Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options and/or Performance Rights, upon the terms set out in the Option and Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options or meeting of performance milestones of Performance Rights, offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option and/or Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options and/or Performance Rights have been granted under the Option and Performance Rights Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options and/or Performance Rights; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option or Performance Right:** An Option and/or Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option/Performance Right;
 - (ii) a Vesting Condition in relation to the Option/Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option/Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute

discretion, to allow the unvested Options/Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (iii) in respect of unvested Option/Performance Right only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option/Performance Right in the circumstances set out in paragraph (vii) or the Board resolves, in its absolute discretion, to allow the unvested Options/Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options/Performance Rights only, a relevant person ceases to be an Eligible Participant and the Option/Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Option/Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option/Performance Right;
 - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Options/Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options or vesting and conversion of Performance Rights shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options or vesting and conversion of Performance Rights issued under the Option and Performance Rights Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options or vesting and conversion of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options or vesting and conversion of Performance Rights up to a maximum of seven (7) years from the grant date of the Options or Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options/Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options/Performance Rights.
- (m) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option/Performance Right are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

- (o) **Amendments:** Subject to express restrictions set out in the Option and Performance Rights Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Option and Performance Rights Plan, or the terms or conditions of any Option/Performance Right granted under the Option and Performance Rights Plan including giving any amendment retrospective effect.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Option Plan to effect the establishment of such a trust and the appointment of such a trustee.

Schedule 1 Definitions

Capitalised terms used in the above summary are as defined in the Option and Performance Rights Plan, including:

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a nominee of an Eligible Participant, that Eligible Participant.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total or Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Schedule 2 – Terms of Options

- (a) Each Option gives the holder the right to subscribe for one Share.
- (b) The exercise price for the Options are 5 cents per share.
- (c) The Options expire 5 years from date of issue.
- (d) The Options are not transferable.
- (e) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.
- (f) All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares.
- (g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX.
- (h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.
- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Company will give each Option holder prior notice as required by the Listing Rules of the record date (as defined in the Listing Rules) of any proposed issue of Shares or other securities or entitlements made available to the holders of Shares generally to enable the Option holder to exercise its Options and participate in the new issue.
- (j) There is no right to change the exercise price of an Option nor the number of Shares over which the Option can be exercised, if the Company completes a pro rata issue of Shares which is not a bonus issue.
- (k) If there is a bonus issue of Shares, the number of Shares over which an Option can be exercised increases by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all rights of the Option holder will be varied in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



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ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:00am (AEDST) on Wednesday, 9 December 2020**, 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) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



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

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy 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:

- 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
- 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.

**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.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ 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 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 **9:00am (AEDST) on Friday, 11 December 2020 at BDO, Level 11, 1 Margaret St, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 7-14 & 16 : 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 1, 7-14 & 16, 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

1 ADOPTION OF REMUNERATION REPORT

☐☐☐

9 ISSUE OF PERFORMANCE RIGHTS TO MR. NIALl CAIRNS

☐☐☐

2 RE-ELECTION OF MR. NIALl CAIRNS AS A DIRECTOR

☐☐☐

10 ISSUE OF PERFORMANCE RIGHTS TO MR. CRAIG COOPER

☐☐☐

3 ELECTION OF MR. JARROD WHITE AS A DIRECTOR

☐☐☐

11 ISSUE OF PERFORMANCE RIGHTS TO MR. JARROD WHITE

☐☐☐

4 RATIFICATION OF PRIOR SHARE ISSUE (PLACEMENT) FOR PURPOSE OF LISTING RULE 7.4: RE-SET OF 15% THRESHOLD

☐☐☐

12 ISSUE OF SHARES TO MR. JARROD WHITE

☐☐☐

5 APPROVE ISSUE OF OPTIONS ASSOCIATED WITH PLACEMENT

☐☐☐

13 ISSUE OF SHARES AND OPTIONS TO A RELATED PARTY – C2 VENTURES PTY LTD

☐☐☐

6 APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

☐☐☐

14 ISSUE OF OPTIONS TO A RELATED PARTY - C2 VENTURES PTY LTD

☐☐☐

7 ISSUE OF SHARES TO MR. ZIHAN LIN

☐☐☐

15 APPOINTMENT OF AUDITOR

☐☐☐

8 ISSUE OF PERFORMANCE RIGHTS TO MR. KING NELSON

☐☐☐

16 APPROVAL OF PERFORMANCE RIGHTS AND OPTION PLAN

☐☐☐

* 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)

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).

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