



2021 Annual General Meeting Notice of Meeting

EVENT DETAILS

18 August 2021

12pm (New Zealand time)

10am (Australian Eastern Standard Time)

By online virtual meeting only:

<https://web.lumiagm.com/303-421-166>

Chairman's Letter

Dear Shareholder,

On behalf of Volpara Health Technologies Limited, I invite you to attend our Annual General Meeting (**AGM** or **annual meeting**) at 12pm (New Zealand time) / 10am (Australian Eastern Standard time) on 18 August 2021 to be held online as a virtual meeting at <https://web.lumiagm.com/303-421-166>.

In light of the health risks and the ever-changing travel restrictions associated with the COVID-19 pandemic and to ensure your safety, the AGM will be held as a virtual meeting via an online platform hosted by Lumi. This means that all shareholders may attend electronically and no physical venue will be nominated for the annual meeting.

Information about how shareholders can participate in the virtual meeting using technology is summarised on page 12 of this Notice of Meeting and is provided in more detail in the Online Voting User Guide that has been sent to you separately. Shareholders will be able to participate and listen to the AGM live on their computer or mobile device and the facility will allow them to vote and send comments and questions during the annual meeting. Due to the circumstances, we encourage shareholders to submit questions in advance of the AGM so that we can respond more efficiently. Details of how to lodge those questions prior to the AGM are on page 13 of this Notice of Meeting.

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

- the presentation of the Annual Report (available online at <https://www.volparahealth.com/investors/overview/>) for the year ended 31 March 2021 and the report of the auditor;
- the retirement by rotation of each of Paul Reid and Dr. Monica Saini and the re-election of Paul Reid;
- a grant of options to Roger Allen (to bring his non-cash remuneration in line with the other Directors);
- the approval of the updated Employee Share Option Plan for ASX Listing Rule purposes and to allow for the issuance of incentive stock options to US employees under US tax laws;
- the approval of an increase to the directors' remuneration pool; and
- the fixing of our auditor's remuneration.

All voting on the resolutions proposed at this year's AGM will be conducted by way of a live online poll. If you do not plan on attending the AGM, you are encouraged to appoint a proxy to attend and vote on your behalf by lodging your proxy appointment online at <https://www.votingonline.com.au/vhtagm2021> or completing and returning a Proxy Form in accordance with the instructions on the Proxy Form. To be valid for the AGM, proxies need to be received no later than 12pm (New Zealand time) on 16 August 2021.

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

We look forward to your participation in this year's virtual AGM.

Yours Sincerely,



Paul Reid
Chairman

23 July 2021

Notice of Meeting

Notice is hereby given that the 2021 annual general meeting of shareholders (**Notice of Meeting**) of Volpara Health Technologies Limited, New Zealand company number 2206998 and ARBN 609 946 867 (**Company, Volpara or VHT**) will be held on 18 August 2021 as a virtual meeting online at <https://web.lumiagm.com/303-421-166> commencing at 12pm (New Zealand time) /10am (Australian Eastern Standard time) (**AGM or annual meeting**). Information about how shareholders can participate in the virtual meeting using technology is summarised on page 12 of this Notice of Meeting and is provided in more detail in the Online Voting User Guide that has been sent to you separately.

We encourage shareholders who cannot, or do not plan to, attend the virtual AGM to appoint a proxy to attend and vote on their behalf by lodging your proxy appointment online at <https://www.votingonline.com.au/vhtagm2021> or completing and returning a Proxy Form in accordance with the instructions on the Proxy Form before the deadline described in this Notice of Meeting.

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

Ordinary Business

1. Presentation of the Annual Report for the year ended 31 March 2021, and the report of the auditor.
2. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

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

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

That pursuant to, and in accordance with, ASX Listing Rule 10.14 and for all other purposes, shareholders approve the grant to Roger Allen, a director of the Company, of 150,000 options on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on Item 3 by Roger Allen and his associates. However, this does not apply to a vote cast in favour of a resolution by:

1. *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
 2. *the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
 3. *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - a. 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*
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*
4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That for the purposes of ASX Listing Rule 7.2 exception 13 and for all other purposes, shareholders approve the Volpara Health Technologies Limited Employee Share Option Plan (**ESOP**) (including the terms of the associated option deed), and the grant of options and issue of shares under that plan to the Company's employees and executives, including the grant of up to 5,000,000 incentive stock options to employees based in the United States of America.*

Voting exclusion statement

The Company will disregard any votes cast in favour of Item 4 by any Director or any of their associates. The Company will also disregard any votes cast in favour of Item 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the ESOP, or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

1. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way, or
2. the chairperson of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the chairperson to vote on the resolution as the chairperson decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. 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
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

That for the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate annual remuneration payable to non-executive directors of the Company be increased by NZ\$200,000 from NZ\$500,000 to NZ\$700,000 (plus GST as appropriate).

Voting exclusion statement

The Company will disregard any votes cast on Item 5 by a Director and any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

1. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
2. the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. 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
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

Please see the Explanatory Notes set out from page 5 for further information on each of the items of business.

Explanatory Notes

Resolutions

Item 1 on the agenda for the AGM does not require a resolution of shareholders. Items 2-6 are ordinary resolutions which require approval by a simple majority (greater than 50%) of the votes of those shareholders present in person or by proxy and entitled to vote and voting on the resolution.

Item 1 - Annual Report and Report of the Auditor

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

Item 2 – Director rotations and re-election of Director

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

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

In accordance with clause 20.5 of the Company's constitution, each of Dr. Monica Saini and Paul Reid will retire by rotation at this year's AGM.

Dr Saini will be re-focusing her efforts towards direct patient care and health advocacy and has taken the decision not to offer herself up for re-election as a Director of the Company at the AGM. As a result Dr. Saini will retire as a Director at the conclusion of the AGM. The Board is in the process of considering a suitable replacement for Dr. Saini and will announce the appointment of any such replacement once finalised. We are pleased to note that Dr. Saini will continue as a key luminary and member of our medical advisory board.

Paul Reid, following his retirement by rotation and being eligible, offers himself for re-election as a Director at the AGM. Background information on Paul is set out below.

Paul Reid

Paul Reid joined the Board of Volpara in March 2018 and was subsequently appointed chairman of the Company in February 2019. Paul brings extensive commercial experience gained across a range of technology / Software as a Service (**SaaS**) businesses. He was the founding CEO and Chairman of Figured Limited, a fintech SaaS company that provides management accounting software to farmers in the United States, United Kingdom, Australia and New Zealand. Figured was New Zealand's start-up of the year in 2016 and has grown rapidly, funded by private, corporate, and venture capital investors.

He is also currently CEO of Author-it Software Corporation, which provides documentation software for clinical medical and labelling information to life sciences companies in Europe and the United States. Other key directorship roles include Christchurch International Airport Limited and New Zealand Stock Exchange (NZX)-listed Comvita Limited.

Prior to embarking on a start-up and governance career, Paul held a number of key executive roles, from CEO to COO, in businesses such as Air New Zealand, MetService, Carter Holt Harvey and Ernst & Young. He is based in Wellington, New Zealand.

Directors' recommendation

Each of the Directors (excluding Paul Reid) recommends that shareholders vote in favour of Item 2.

Item 3 – Approve grant of options to Roger Allen

General

Item 3 at the AGM seeks shareholder approval pursuant to, and in accordance with, ASX Listing Rule 10.14 and for all other purposes, for the grant of 150,000 options to Roger Allen, a non-executive Director of the Company. A summary of the material terms of the grant of the options to Mr Allen is set out below.

To encourage Volpara's continued growth and strong performance, the Company's remuneration policy reflects the need to attract, motivate and retain highly skilled Directors whose interests are aligned with that of the Company's shareholders. As per this remuneration policy, Directors receive a mix of both cash and non-cash remuneration in the form of options. Each of the Directors of the Company are eligible to participate in the Company's employee share option plan (ESOP). Under the ESOP, each of the non-executive Directors (other than Mr Allen) has been issued a total of 450,000 share options, while historically Mr Allen has been granted 300,000 options. Mr Allen continues to provide important strategic advice to the Board and the Board consider it important to align Mr Allen's total remuneration package (including options holdings) with those of the other non-executive Directors on the Board. Consequently the Board has resolved to grant Mr Allen a further 150,000 options under the ESOP as part of his director remuneration, taking his total options to 450,000 in line with all of the other non-executive Directors.

ASX Listing Rule 10.14 prohibits a director of a company from acquiring securities under an employee incentive scheme without the prior approval of shareholders. Accordingly, Item 3 at the AGM seeks shareholder approval required by ASX Listing Rule 10.14 to allow the grant of options to Mr Allen under the ESOP to be finalised. If shareholder approval is obtained under this Item 3, the issue of options to Mr Allen, and the issue of shares on exercise of those options, will not require shareholder approval under ASX Listing Rule 7.1, and will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Specific information required by ASX Listing Rule 10.15

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

1. Similar to previous grants to Mr Allen, the options granted to Mr Roger Allen, a non-executive Director of the Company, will be registered in the name of Patagorango Pty Ltd, a company controlled by Mr Allen.
2. The number of options to be granted to Mr Allen is fixed at 150,000.
3. Mr Allen's current remuneration as a Director of the Company is A\$60,000 per annum.
4. Mr Allen has previously been granted 300,000 options under the ESOP for nil consideration, none of which have been exercised as at the date of this Notice.
5. The rationale for the grant of the options to Mr Allen is set out above. The material terms of the options to be granted to Mr Allen are set out below and in the explanatory notes to Item 4 in this Notice of Meeting. The aggregate value ascribed by the Company to the options is NZ\$105,787.
6. The options will be granted to Mr Allen for nil consideration. 40% of the options will vest on 1 October 2022 and 20% of the remaining options will vest on the same date in each year thereafter. The options have an exercise price of A\$1.33 per option and will expire on 1 October 2027 unless exercised beforehand. On exercise and payment of the exercise price each option will entitle Mr Allen to one fully paid ordinary share in the capital of the Company. The options will be issued under an option deed that is consistent with the terms of the ESOP, the material terms of which are set out in the explanatory notes to Item 4 below.
7. If shareholder approval is obtained for Item 3, the Company will finalise the grant of the options to Mr Allen as soon as practicable after the AGM, and in any event no later than 3 years after the date of the AGM.
8. Details of the options granted under the ESOP will be published in the Company's annual report relating to the period in which they were issued, along with, where applicable, a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

9. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of options under the ESOP after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

10. A voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

Each of the Directors (excluding Roger Allen) recommends that shareholders vote in favour of Item 3.

Item 4 – Approval for Volpara's updated ESOP, including approval to issue Incentive Stock Options to US employees

General

Item 4 of the annual meeting seeks shareholder approval for Volpara's updated Employee Share Option Plan (**ESOP**), including the approval to grant incentive stock options (**ISO**) to the Company's employees based in the United States of America (**US**).

The Company currently operates the ESOP, the existing terms of which were approved by shareholders at the AGM held in August 2019. Under the ESOP, the Company grants certain employees and executives' options to subscribe for ordinary shares (**Options**), with the overall intention of motivating and retaining employees and executives. Since shareholders last approved the ESOP in August 2019, 5,801,300 Options have been granted to employees and directors under the ESOP.

As the Company grows and expands its operations in the US it is important from an attraction, motivation and retention principle that the Company is able to remunerate its US employees in a similar manner to other US employers. It is common market practice in the US, particularly among fast growth technology companies similar in nature to Volpara, that employees are partly remunerated in a way that allows them to share in the equity of the company, and incentivises those employees to remain with the organisation as it grows. By providing a portion of the employee's remuneration as an equity incentive (in the form of an option), this aligns the employee's interests with those of shareholders with respect to seeing share price growth.

The Company has amended its ESOP (and associated Board guidelines) to include special provisions that allow for the participation of US employees. Volpara has made various amendments to its existing ESOP to allow the Company to grant incentive stock options that are subject to United States tax laws, and which take advantage of beneficial tax treatment for those US employees.

ASX Listing Rule 7.1

Broadly speaking and subject to a number of exceptions, ASX Listing Rule 7.1 prohibits an ASX listed company from issuing or agreeing to issue new securities representing more than 15% of its total ordinary shares during the following twelve (12) month period without shareholder approval.

Exception 13 to ASX Listing Rule 7.2 provides that securities (such as options or shares) issued under an employee incentive scheme are excluded from that 15% placement capacity provided that within three (3) years before the date of issue, the scheme and issues of securities under it, are approved by shareholders in a general meeting.

Due to the changes to the ESOP the Company is seeking shareholder approval for the revised terms of the ESOP, including the special provisions that allow for the participation of US employees under the ESOP, for the purposes of Listing Rule 7.2, exception 13.

In addition, under relevant US law, the changes to accommodate US employees under the ESOP require shareholder approval within 12 months before or after the date the Company implements the US provisions in order for the securities granted under the ESOP to US employees to qualify as "incentive stock options" for US tax purposes. If such approval is not obtained within that period, any securities granted pursuant to the ESOP to US employees will be deemed to be "non-qualified stock options" for US tax purposes.

If shareholder approval is not obtained for Item 4, the Company will continue to operate the revised ESOP but:

- the Board will not have access to the flexibility afforded by ASX Listing Rule 7.2, exception 13 as outlined above. Instead, the Board will have to utilise the Company's 15% placement capacity in any twelve (12) month period to issue securities under the ESOP. This will impair the Company's flexibility to use that 15% placement capacity for other purposes (e.g. for future capital raisings or to fund acquisitions); and

- the Company's US employees who are issued securities under the US Plan will not have access to the potential tax advantages of those securities being treated as "incentive stock options".

Material terms of the ESOP

The key terms of the revised ESOP (including the US addendum), and the rights and liabilities attaching to the Options granted under the ESOP, are as follows:

Offer	<p>The Company may grant Options to any Director, employee of the Company, or a person who is a consultant with the Company or any of its subsidiaries for nil consideration (Participant), including such persons resident in the United States of America (US Participant). There are specific eligibility requirements for any consultant who is a US Participant.</p> <p>An offer will specify the number of Options to be granted to the Participant, the vesting period, and the exercise price, which in the case of a US Participant receiving incentive stock options cannot be less than the fair market value of the shares in the Company as at the date of grant. An offer of Options to a US Participant may be in the form of an "incentive stock option" or a "non-qualified stock option".</p> <p>If the Option is an incentive stock option granted to a US Participant then the fair market value (at the date of grant) of the shares subject to the Option, plus all other incentive stock options the US Participant holds that are exercisable for the first time by the US Participant during any calendar year</p> <p>The maximum number of Options (including any incentive stock options granted to US employees) that may be granted under the ESOP is 17,592,056 (including the maximum number of incentive stock options that may be granted as set out below), being approximately 7% of the Company's total issued share capital as at the date of this Notice.</p> <p>The maximum number of incentive stock options that may be granted under the ESOP to US Participants is 5,000,000.</p>
Expiry Date	<p>A grant of Options will expire on the earliest to occur of the following, (a) seven years from the date of the option deed, or (b) 60 days after ceasing to be a director, contractor or employee of the Company or its affiliate (as applicable), or such longer period as required by applicable law upon a termination as a result of the Participant's death or disability. No Option granted to a US Participant may be exercisable after ten years from the date of grant, or such shorter period specified in the option deed.</p>
Exercise	<p>A Participant must give ten working days written notice to the Company stating the whole number of vested Options to be exercised and payment in full of the exercise price within 20 working days of the date on which the notice was given. A US Participant may not exercise any Option until the US Participant has completed at least six months continuous service with the Company or an affiliate from the date of grant of the Option.</p> <p>If the Company considers that the exercise would give rise to a breach of the Company's Constitution, the ASX Listing Rules and / or other rules of any stock exchange on which the shares of the Company (Shares) are quoted; or any statute or regulation then such exercise will not be valid. An Option may not be exercised by a US Participant unless the Shares to be issued upon exercise are then registered under the United States Securities Act of 1933, as amended (US Securities Act) or, if the Shares are not registered, the Company has determined that such exercise and issue would be exempt from the registration requirements of the US Securities Act.</p> <p>If the Option is an incentive stock option the Participant must notify the Company within 15 days after the date of any disposition of any shares issued upon exercise of the Option that occurs within two years of the date of grant or within one year after the Shares are issued upon exercise of the Option.</p>

Termination and Lapse	<p>If a Participant ceases to be a director of, employed by, or a consultant with, the Company or its subsidiaries due to a material breach of the Participant's appointment letter, employment agreement, restraint of trade, or under any law, then, subject to specific rules that apply in the case of incentive stock options granted to US Participants or under the laws of the State of California, the Company may terminate all Options previously granted to the Participant and not exercised by the Participant (whether or not then vested), and cancel all other benefits the Participant may be entitled to receive under the ESOP.</p> <p>If a Participant ceases to be a director of, employed by, or a consultant with, the Company or its subsidiaries other than as a result of a material breach of the Participant's appointment letter, employment agreement, restraint of trade or under any law, then, subject to specific rules that apply in the case of incentive stock options granted to US Participants or under the laws of the State of California, all unvested Options will be cancelled without compensation and all Options that have previously vested must be exercised before the earlier of (a) 60 days after the cessation date; (b) 30 working days before the expiry date of the Options; and (c) if the vesting date is accelerated due to a change of control event, such accelerated date; and any Options not exercised within that period will lapse and be cancelled without compensation, unless the Board determines otherwise.</p>
Reorganisation of Capital	<p>Subject to the ASX Listing Rules, if, at any time after the grant of Options:</p> <ol style="list-style-type: none"> 1. the Shares are consolidated, the number of Options immediately prior to such consolidation are consolidated in the same ratio as the ordinary capital of the Company and the Option exercise price will be amended in inverse proportions to that ratio; 2. the Shares are subdivided, the number of Options must be subdivided in the same ratio as the ordinary capital of the Company and the Option exercise price will be amended to that ratio; 3. the Company reduces the share capital by a pro rata return to holders of part of the share capital in respect of each Share, the number of Options shall remain the same but the option exercise price will be reduced by the same amount of share capital returned in respect of each Share; 4. the Company reduces its paid-up share capital by a cancellation of capital that is either lost or not represented by available assets where no securities are cancelled. The number of Options and the Option exercise price in respect to such Options will remain unchanged; 5. the Company cancels its capital proportionately, the number of Options must be reduced in the same ratio as the ordinary capital and option exercise price for such Options must be amended in inverse proportions to that ratio; and 6. there is any other reorganisation or change to the capital of the Company, the number of Options, the Option exercise price, or both, must be reorganised so the holders of Shares will not receive a benefit that holders of Options do not receive. <p>Subject to the ASX Listing Rules, if, after the grant of the Options, there is a pro rata issue of Shares to all holders of Shares for which no consideration is payable, then the number of Options shall be increased by the same proportion as if the Options were Shares.</p> <p>The ASX Listing Rules may require the Board to make further adjustments to the terms of the Options, in addition to, or instead of, those listed above in the event of any reconstruction or reorganisation of capital affecting the Shares.</p>
No transfer or dealing	<p>An Option is not transferrable without the Company's approval, or in certain cases subject to applicable law. Non-qualified stock options granted to US Participants may be transferred to certain affiliates.</p>

Change of Control

If:

the Board and the Company's shareholders recommend a takeover bid or approve a scheme of arrangement of the Company where such transaction will not result in the Company's shareholders holding more than 25% of the voting rights of the Company;

the Company resolves to amalgamate with any other company where such amalgamation will not result in the Company's shareholders holding more than 25% of the voting rights of the amalgamated company;

the Company's shareholders approve the disposition of assets comprising more than 75% of the value of the Company's assets to an entity not controlled by controlling or under common control with the Company or to an entity in which the Company's shareholders do not hold at least 25% of that entity's voting rights; or

a change in the management or control of the Company occurs as a result of the acquisition by any party of more than 75% of the total issued Shares carrying voting rights in the Company;

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

Board guidelines related to the ESOP

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

Material matters dealt with under the Guidelines include:

1. the purpose of the grant of Options is to enable contributors to the potential success of Volpara to share in that success by giving them Options to purchase Shares at an exercise price during a set exercise period;
2. setting a limit on the grant of Options under the ESOP which when exercised, will represent up to a maximum of 7% of the issued share capital of Volpara on a fully diluted basis (inclusive of any Options granted to directors that may be granted outside the terms of the ESOP), being for the purposes of the approval under Item 4, a maximum of 17,592,056 Options (including the maximum 5,000,000 incentive stock options that can be granted under the ESOP to US Participants). This limit may be reviewed by the Board from time to time, and if considered appropriate based on the purpose of the Options, adjusted. Notice of any increase in the limit will be given to the Company's shareholders;
3. ensuring that when granting Options under the ESOP to a US Participant they are designated as incentive stock options or non-qualified stock options at the time of grant;
4. ensuring that, when granting any Options under the ESOP, the Board must be satisfied that, at the time of grant of any options, the exercise price is fair and reasonable to Volpara and its shareholders (as per section 49 of the *New Zealand Companies Act 1993*);
5. granting Options on a date determined by the Board (subject to receipt of a signed option deed) and Volpara being satisfied that the Options may be granted in reliance on the exclusion for employee share purchase schemes under New Zealand law or some other applicable exclusion, and in compliance with the ASX Listing Rules;

6. setting the exercise price of the Options at a level that will act as an incentive to the Participant, and reward the efforts of the Participant in contributing to an uplift in the market value of Shares;
7. granting Options subject to such conditions or performance hurdles as determined by the Board;
8. on a change of control of Volpara, the Board may determine in its absolute discretion that some or all unvested Options may immediately vest, subject to such conditions as the Board may determine; and
9. setting a maximum exercise period of seven years for each tranche of Options.

Directors' recommendation

Due to each Director currently participating in, and potentially participating in the future in, the Employee Share Option Plan, the Directors have decided to abstain from making a recommendation on Item 4.

Item 5 – Non-executive Directors' remuneration

General

The Board reviews non-executive Director fees on an annual basis to ensure they are consistent with market trends and developments, and thereby enable the Company to attract and retain Directors who contribute to the successful management of the Company and create value for shareholders.

The Board has recently completed that annual review, and is asking shareholders to approve an increase in the total amount available for payment of non-executive Directors' fees by NZ\$200,000 from NZ\$500,000 to NZ\$700,000 (plus GST as appropriate).

In reaching this recommendation, the Board has considered, the need to provide headroom to account for adverse foreign exchange movements and to allow future flexibility with respect to the appointment of additional non-executive Directors, likely to be based in the USA. It is not anticipated that the maximum increased amount will be immediately fully utilised but it will allow the Board future flexibility with respect to the remuneration of its non-executive Directors.

The total amount available for payment of non-executive Directors' fees does not include the value of securities issued to a non-executive director with the approval of the holders of the entity's ordinary securities under ASX Listing Rules 10.11 or 10.14. In accordance with ASX Listing Rule 10.17, Volpara confirms that in the preceding three years it has issued the following securities to a non-executive Director with the approval of the holders of Volpara's ordinary shares under ASX Listing Rules 10.11 or 10.14:

Non-executive Director	Securities issued	ASX Listing Rule approval obtained	Date of approval
Karin Lindgren	450,000 options	10.14	19 August 2020
John Diddams	450,000 options	10.14	20 August 2019
John Pavlidis	450,000 options	10.14	20 August 2019
Paul Reid	450,000 options	10.11	23 August 2018
Monica Saini	450,000 options	10.11	23 August 2018

Directors' recommendation

Due to each non-executive Director's interest in the outcome of Item 5, all of the Directors have decided to abstain from making a recommendation on Item 5.

Item 6 – Auditor's remuneration

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

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

Directors' recommendation

Each of the Directors recommends that shareholders vote in favour of Item 6.

No other material information

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

Important information

Record date to participate in the AGM

Any person who is registered as a shareholder of the Company at 12pm (New Zealand time) / 10am (Australian Eastern Standard Time) on 16 August 2021 is entitled to attend and vote at the AGM or to appoint a proxy to attend and vote in their place.

How to participate in the AGM

The Volpara AGM will be held on 18 August 2021 at 12pm (New Zealand time) / 10am (Australian Eastern Standard Time) as a virtual Meeting. Shareholders and proxyholders are encouraged to participate in the AGM online, which will allow them to listen to a live webcast, send questions in writing and vote.

Live online participation (including voting)

Shareholders and proxyholders will be able to participate in the AGM online by:

- a. Visiting <https://web.lumiagm.com/303-421-166> on a smartphone, tablet or computer (using the latest version of Chrome)
- b. Downloading the Lumi AGM app from their mobile device from the Apple App Store or Google Play Store by searching for Lumi AGM.

Online registration for the AGM will open at 11:00am (New Zealand time) / 9:00am (Australian Eastern Standard Time) on 18 August 2021 (one hour before the meeting time). The meeting ID for Volpara's AGM is **303-421-166**.

You will then need to enter your username and password.

1. Your username, which is your Voting Access Code (VAC), which is located on the front page of your proxy form or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details.
3. If you have been nominated as a third party proxy, please contact the Company's share registry, Boardroom on 1300 737 760.

Voting online

Once the voting polls are open at the Meeting, shareholders and proxyholders can vote by clicking on the bar chart icon showing on their screen.

Proxy voting and proxyholder participation

Volpara encourages all shareholders to submit a proxy vote online ahead of the meeting. Proxy votes can be lodged at <https://www.votingonline.com.au/vhtagm2021> or via a Proxy Form.

Further information on lodging a proxy vote ahead of the AGM is available on the Proxy Form.

Ask a question online

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

If you would like further information on the Company, or would like to ask the Company or the Company's auditor a question at this AGM, you may lodge your questions online by one of the methods below.

Click the question icon for the submission of written questions (including questions of the auditor) at the Meeting. Questions may be moderated or amalgamated if there are multiple questions on the same topic. It may not be possible to respond to all questions. Please note only shareholders may ask questions online.

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

questions about, or make comments on, the management of the Company and the Annual Report; and

the auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

Ask a question prior to the AGM

Shareholders may also lodge questions (including questions of the auditor) prior to the AGM at:

<https://boardroomlimited.com.au/agm/vhtagm2021>

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

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

write to the Company's Share Registry or the Company Secretary at:

Boardroom Pty Ltd
GPO Box 3993,
Sydney NSW 2001

or post to:

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

Further information

More information regarding participating in the AGM online can be found by visiting

<https://boardroomlimited.com.au/agm/vhtagm2021> or in the Online Voting User Guide sent to you separately.

INDUSTRY

Healthcare

VOLPARA HEALTH TECHNOLOGIES LIMITED

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

Level 14, Simpl House
40 Mercer Street
Wellington Central
Wellington 6011
www.volparahealth.com

COMPANY CONTACT

craig.hadfield@volparahealth.com

ASX CODE: VHT

FOR FURTHER INFORMATION CONTACT

craig.hadfield@volparahealth.com

BOARD OF DIRECTORS

Paul Reid
Non-Executive Director
and Chairman



Ralph Highnam
Managing Director
and CEO



Roger Allen
Non-Executive
Director



John Pavlidis
Non-Executive
Director



John Diddams
Non-Executive Director



Dr. Monica Saini
Non-Executive Director



Karin Lindgren
Non-Executive Director

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

VOLPARA HEALTH TECHNOLOGIES LIMITED AGM 2021 – PROXY FORM

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (New Zealand time) / 10:00am (Australian Eastern Standard Time) on Monday 16 August 2021.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/vhtagm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm (New Zealand time) / 10:00am (Australian Eastern Standard Time) on Monday, 16 August 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

🖥 **Online** <https://www.votingonline.com.au/vhtagm2021>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

☐

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held online on **Wednesday, 18 August, 2021 at 12:00pm (New Zealand time) / 10:00am (Australian Eastern Standard Time)**, and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Item 2	Re-election of Paul Reid as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Approval for the grant of options to Mr Roger Allen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Approval of the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Approval for the increase of the maximum aggregate annual remuneration to non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Approval to fix the fees and expenses of the auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021