



SILK Laser Australia Ltd (Company or SILK)
ACN 645 400 399

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (**AGM or Meeting**) of Shareholders of SILK Laser Australia Ltd will be held on 22 November 2022 commencing at 10:30am (Adelaide time) at Grant Thornton House, Level 3, 170 Frome Street, Adelaide South Australia 5000.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (Adelaide time) on 20 November 2022.

The Explanatory Statement, Glossary, and the Proxy Form part of this notice.

A Shareholder entitled to attend and vote at this meeting has the right to appoint a proxy. Proxies may be appointed using the Proxy Form. Detailed instructions for appointing a proxy are provided on the back of the proxy Form. Completed Proxy Forms must be received by the Company no later than 10:30am (Adelaide time) on 20 November 2022.

In this Notice, capitalised terms used have the meaning given in the Glossary.

Business of the Meeting

Agenda

- 1. Financial Statements and Reports**

To receive and consider the financial report of the Company for the year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

- 2. Resolution 1
Adoption of
Remuneration
Report**

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 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2022."

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

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

 - a) a member of the KMP, details of whose remuneration are included in the Remuneration Report; or
 - b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

 - a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - b) the voter is the Chair and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on this Resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

- 3. Resolution 2
Election of Jacinta
Caithness as a
Director**

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

"That Ms Jacinta Caithness, a Director appointed as an additional Director and holding office until the conclusion of the next annual general meeting of the Company after her appointment in accordance with the Constitution, be elected as a Director, effective immediately."

**4. Resolution 3
ASX Listing Rule
7.1A (Additional
10% Capacity)**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Prohibition Statement

The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

- a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b) an Associate of such a person.

However, this does not apply to a vote cast in favour of this Resolution 3 by:

- (a) 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
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met
 - (i) 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
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**5. Resolution 4
Approval of
Managing Director
participation in
SILK Laser
Australia Limited
Equity Incentive
Plan**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"That, for the purposes of Listing Rule 10.14 and all other purposes, Shareholders approve the issue of 100,000 Performance Rights to Mr Martin Perelman (or his nominee) under the SILK Laser Australia Limited Equity Incentive Plan, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion:

The Company will disregard any votes on this Resolution 4:

- (a) cast in favour by or on behalf of Mr Martin Perelman, and any of his Associates; However, this does not apply to a vote cast in favour of this Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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, even though Resolution 4 is connected with the remuneration of a member of the KMP; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the

**6. Resolution 5
Amendment to
Constitution**

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution be modified by making the amendments contained in the Explanatory Statement, effective immediately."

Dated: 21 October 2022

By order of the Board



**Richard Willson
Company Secretary**

Further Details

Voting Entitlements

The Company has determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that, for the purposes of ascertaining entitlements to participate in and vote at the Annual General Meeting, all Shares will be taken to be held by those persons who held them as registered holders at 5:00pm (Adelaide time) on 20 November 2022 (**Entitlement Time**). This means that if you are not the registered holder of a Share at the Entitlement Time, you will not be entitled to participate in or vote at the Meeting.

Resolutions by Poll

Each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

How to Vote

Voting in person

Shareholders can vote in person by attending the Annual General Meeting on the date and at the place set out in this Notice of Meeting.

Voting in advance

Shareholders can vote in advance of the Meeting by completing and lodging a valid proxy form (see below for information on completing and returning proxy forms).

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

To be valid, the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney must be lodged at the registered office or the share registry of the Company, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001 (or by facsimile to 1800 783 447 within Australia or +61 3 9473 2555 outside Australia) at least 48 hours prior to the Annual General Meeting (that is, by no later than 10.30am Adelaide time on Sunday, 20 November 2022).

Alternatively, you may appoint a proxy using an electronic facility available at the website **www.investorvote.com.au**. At the website, shareholders will be able to view an electronic version of the Proxy Form, which will accept proxy appointments and register them accordingly.

Custodian voting – For Intermediary Online subscribers only (custodians) please visit **www.intermediaryonline.com** to submit your voting intentions.

Corporate Representative

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder's or proxy's (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (detailed above) in advance of the meeting.

Questions

The Company is happy to accept and answer questions, including in relation to questions on the financial statements for the Company's auditor, prior to the close of proxy voting via email, such questions should be forwarded to the following email address **richard.willson@silkklaser.com.au**.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice.

Operations Update

At the conclusion of the Meeting, the Company's Managing Director, Martin Perelman, will provide an investor update. The presentation will be released to the market immediately prior to the Meeting.

Technical difficulties

Technical difficulties may arise during the course of the meeting. The Chair of the meeting has discretion as to whether and how the AGM should proceed if a technical difficulty arises. In exercising this discretion, the Chair of the meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair of the Meeting considers it appropriate, the Chair of the Meeting may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a directed proxy in advance of the Meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 08 7225 6489 or via email at richard.willson@silkklaser.com.au

Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the Annual General Meeting, the Resolutions to be considered at the AGM, and to assist Shareholders to determine how they wish to vote on each Resolution.

Financial Statements and Reports

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://silklaser.com.au>.

Resolution 1 – Adoption of Remuneration Report

General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the financial report of the company for a period.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

Previous voting results

At the Company's 2021 annual general meeting, Shareholders passed an Ordinary Resolution to adopt the remuneration report for the financial year ended 30 June 2021. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Resolution 2 – Election of Jacinta Caithness as a Director

General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Rule 8.1(c) of the Constitution stipulates that a Director appointed by the Board, who is not a managing director, holds office until the conclusion of the next annual general meeting following their appointment.

Ms Caithness was appointed by the Board on 27 April 2022 as a Director and is eligible for election under rule 8.1(j)(1) of the Constitution.

Qualifications and experience

Ms Caithness joined the Board in April 2022 as an independent, non-executive director. She has over 20 years' experience in the retail industry and has worked with some of Australia's leading brands. She developed the franchise strategy and recruitment methodology for Boost Juice and Salsas at Retail Zoo, appointing over 160 franchisees within the domestic network over a 5-year period. Later, as CEO International and Board Member, she expanded the Boost business globally with the appointment of 18 Master Franchisees across 36 countries on 5 continents.

Her achievements have been recognised independently with several awards – including AFR Boss Young Executive of the Year and Telstra Young Businesswoman of the Year. Ms Caithness is an experienced Non-Executive Director, having served on the board of Ventura Bus Lines since 2016 and is currently on the Advisory Board of Schnitz and Empty Esky.

Independence

If elected the Board considers Ms Caithness will be an independent Director.

Board recommendation

The Board has reviewed the performance of Ms Caithness since her appointment to the Board and considers that her skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (with Ms Caithness abstaining) supports the election of Ms Caithness and recommends that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Shares

General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a Special Resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. As at the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$102 million and therefore is an eligible entity.

Resolution 3 seeks Shareholder approval by way of Special Resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of the Company's Equity Securities and issued for cash consideration.

The issue price per Equity Security must not be less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

Use of funds raised under the 7.1A Mandate

As noted above, any Equity Securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of Equity Securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice of Meeting, the Company has not formed an intention to offer any Equity Securities under Listing Rule 7.1A during the period of the 7.1A Mandate, if Shareholders approve this

Resolution. However, if Shareholders approve this Resolution and the Company did raise funds from the issue of Equity Securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for general working capital and/or business growth and development.

Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 3 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$1.025 50% decrease in issue price	\$2.05 issue price ^(b)	\$4.1 100% increase in issue price
"A" is the number of shares on issue,^(a) being 53,111,824 Shares	10% voting dilution^(c)	5,311,182	5,311,182	5,311,182
	Funds raised	\$5,443,962	\$10,887,923	\$21,775,846
"A" is a 50% increase in shares on issue, being 79,667,736 Shares	10% voting dilution^(c)	7,966,773	7,966,773	7,966,773
	Funds raised	\$8,165,942	\$16,331,885	\$32,663,769
"A" is a 100% increase in shares on issue, being 106,223,648 Shares	10% voting dilution^(c)	10,622,364	10,622,364	10,622,364
	Funds raised	\$10,887,923	\$21,775,846	\$43,551,692

Notes:

- (a) Based on the total number of Shares on issue as at 3 October 2022.
- (b) Based on the closing price of the Company's Shares on ASX as at 3 October 2022.
- (c) The table assumes that the Company issues the maximum number of Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of Equity Securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of Equity Securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;

- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Issue or agreement to issue Equity Securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company did not issue or agree to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the Resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 – Approval of Managing Director participation in SILK Laser Australia Limited Equity Incentive Plan

General

On 14 December 2020, in connection with, and subject to, the Company's admission to the official list of ASX, SILK adopted the SILK Laser Australia Limited Equity Incentive Plan.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 100,000 Performance Rights to Martin Perelman (or his nominees) pursuant to the Plan and on the terms and conditions set out below (**Related Party Performance Rights**).

Resolution 4 seeks Shareholder approval under Listing Rule 10.14 to grant the Related Party Performance Rights to Mr Perelman under the Plan.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party unless either:

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- Shareholder approval is obtained prior to giving of the financial benefit.

The proposed issue of the Related Party Performance Rights (which is a type of equity security for the purposes of Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A Related Party, for the purposes of the Corporations Act and the Listing Rules, is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of Related Party also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

The non-conflicted Directors (being the Board with Martin Perelman removed from discussions) carefully considered the issue of these Related Party Performance Rights to Mr Perelman and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Related Party Performance Rights and the responsibilities held by Mr Perelman in the Company.

Accordingly, the non-conflicted Directors believe that the issue of the Related Party Performance Rights to Mr Perelman falls within the "reasonable remuneration" exception as set out in section 210 of the Corporations Act, and rely on this exception for the purposes of this Resolution. Therefore, the proposed issue of Related Party Performance Rights to Mr Perelman requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a) a director of the company (Listing Rule 10.14.1);
- b) an associate of a director of the company (Listing Rule 10.14.2); or
- c) a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

As Mr Perelman is a current Director, the proposed issue of Related Party Performance Rights to him falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14. To this end, Resolution 4 seeks Shareholder approval for the issue of the Related Party Performance Rights to Mr Perelman under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to issue the Related Party Performance Rights to Mr Perelman. Furthermore, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1, and the issue of the Related Party Performance Rights will not count towards the Company's capacity to issue Equity Securities under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Related Party Performance Rights and may decide to pay Mr Perelman a cash bonus instead.

Technical information required by Listing Rule 10.15

The following information is provided to Shareholders for the purposes of Listing Rule 10.15:

- i. The allottee is Mr Martin Perelman or his respective nominees.
- ii. Mr Perelman is a Director and therefore falls within the category of a Related Party as described in Listing Rule 10.14.1.
- iii. The maximum number of Performance Rights to be granted to Mr Perelman is 100,000.
- iv. Mr Perelman's current total remuneration package is:

Item	\$
Cash salary (gross)	\$420,000
STI/bonus	\$125,000
Superannuation defined contribution	\$27,500
TOTAL	\$572,500

- v. The number of Equity Securities previously issued to Mr Perelman under the Plan is 136,674 Performance Rights. The issue of these Equity Securities was approved by Shareholders on 14 December 2021, and were issued on 25 August 2022 for nil consideration.
- vi. A summary of the material terms of the Related Party Performance Rights is set out in Schedule 1.
- vii. The Related Party Performance Rights are unquoted performance rights. The Company has chosen to grant the Related Party Performance Rights to Directors on the basis that:
 - the Related Party Performance Rights are unlisted (therefore have no immediate dilutionary impact on Shareholders);
 - the issue of Related Party Performance Rights to the Directors will align their interests with those of Shareholders;
 - the issue of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights upon the terms proposed.
- viii. The Company has attributed a value of \$160,000 to the Related Party Performance Rights by applying a probability threshold.
- ix. The Related Party Performance Rights will be issued to Mr Perelman no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), if approved by Shareholders.
- x. The Related Party Performance Rights will be issued for nil consideration and therefore no loan will be provided to Mr Perelman with respect to the issue of the Related Party Performance Rights.
- xi. A summary of the material terms of the Plan is set out in Schedule 2.
- xii. Details of any Performance Rights issued under the Plan will be published in the annual report of the Company 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.
- xiii. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 4 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- xiv. A voting exclusion statement for this Resolution 4 is included in the Notice of Meeting.

Board's recommendation

The Directors (excluding Mr Perelman) recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

Resolution 5 – Amendment to Constitution

General

The Constitution was adopted by the Company on 26 October 2020.

Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by Special Resolution. Accordingly, the Company seeks Shareholder approval to amend the Constitution by a Special Resolution as set out below.

A copy of the amended Constitution will be sent to Shareholders on request and will also be available for inspection at the office of the Company during normal business hours prior to the AGM.

Background

The Board wishes to amend its existing Constitution following recent amendments to the Corporations Act in relation to company's using virtual meeting technology to hold general meetings. Effective 1 April 2022, pursuant to the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth), entity's wishing to hold wholly virtual general meetings must be able to rely on an express provision in the constitution.

The Company has prepared a modified Constitution which incorporates the proposed amendment **(New Constitution)**.

Rule 7.3(d) Admission to general meetings

Rule 7.3(d) of the Constitution currently provides as follows:

The directors may determine to hold a general meeting of members using or with the assistance of any technology that gives the members as a whole a reasonable opportunity to participate, which may include but is not limited to electronic participation facilities or linking separate meeting places together by technology.

By this Resolution 5, the Company seeks Shareholder approval to delete the above rule of the Constitution and replace it with a new rule 7.3(d) as follows:

Subject to the Act, the Listing Rules and any applicable law:

- (1) a general meeting may be hybrid (virtual and in-person), held at one or more venues using any technology that gives the members as a whole a reasonable opportunity to participate; or*
- (2) a general meeting may be held virtually only, using any technology that gives the members as a whole a reasonable opportunity to participate.*

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional adviser.

A complete copy of the New Constitution will be tabled at the AGM.

Board's Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5.

Glossary

In this Notice:

Annual General Meeting or AGM or Meeting	means an annual general meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.
Annual Report	means the annual report of the Company for the financial year ended 30 June 2022.
Associate	has the meaning given to that term by the Listing Rules.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it.
Board	means the current board of Directors.
Chair	means the person chairing the Meeting.
Closely Related Party	<p>of a KMP means any of the following:</p> <ul style="list-style-type: none">• a spouse, child or dependant of the KMP;• a child or dependant of the KMP's spouse;• anyone else who is one of the KMP's family and may be expected to influence or be influenced by, the KMP in the KMP's dealings with the Company;• a company the KMP controls; or• a person prescribed by regulations.
Company or SILK	means SILK Laser Australia Limited ACN 645 400 399.
Constitution	means the Company's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	means a current director of the Company.
Equity Securities	means Shares and/or Options and/or Performance Rights, as the context requires.
Explanatory Statement	means the explanatory statement accompanying this Notice of Meeting.
KMP or Key Management Personnel	means the key management personnel of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. It includes all Directors (executive and non-executive) and certain senior executives of the Company. The KMPs during the year ended 30 June 2022 are listed in the Remuneration Report.
Listing Rules	means the official listing rules of ASX.

Notice of Meeting or Notice of Annual General Meeting	means this notice of annual general meeting dated 21 October 2022 including the Explanatory Statement.
Option	means an option which, subject to its terms, could be exercised into a Share.
Ordinary Resolution	means a Resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the Resolution are voted in its favour at the Meeting.
Performance Right	means an entitlement to receive Shares subject to the satisfaction of applicable conditions.
Plan	means the Company's Equity Incentive Plan.
Related Party	has the meaning given to that term in the Listing Rules.
Remuneration Report	means the remuneration report for the financial year ended 30 June 2022, as set out in the Annual Report.
Resolutions	means a resolution set out in this Notice of Meeting, or any one of them, as the context requires.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Special Resolution	means a Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the Resolution are voted in its favour at the Meeting.

Schedule 1 – TERMS OF RELATED PARTY PERFORMANCE RIGHTS

The following are the terms and conditions of the Related Party Performance Rights:

Milestone

The Related Party Performance Rights held by each holder of the Related Party Performance Rights (**Holder**) will convert into Shares upon the achievement of a range of operational and financial performance based KPIs within 36 months (**Milestone**).

Notification to Holder

The Company shall notify the Holder in writing when the Milestone has been satisfied.

Consideration

The Related Party Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Related Party Performance Rights.

Conversion

Subject to the deferral of conversion (below) and satisfaction of the Milestone, each Related Party Performance Right will, at the election of the Holder, convert into one Share.

Lapse of a Related Party Performance Right

If the Milestone attaching to a Related Party Performance Right has not been satisfied within the period required under the Milestone (**Expiry Date**), it will automatically lapse and the Holder shall have no entitlement to the Shares pursuant to those Related Party Performance Rights.

Share ranking

All Shares issued upon the conversion of Related Party Performance Rights will upon issue rank pari passu in all respects with other Shares.

Application to ASX

The Related Party Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Related Party Performance Right on ASX within the time period required by the ASX Listing Rules.

Transfer of Related Party Performance Rights

The Related Party Performance Rights are not transferable.

Participation in new issues

A Related Party Performance Right does not entitle a Holder (in their capacity as a Holder of a Related Party Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

Adjustment for bonus issue

If the Company makes a bonus issue of Shares or other Equity Securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other Equity Securities which must be issued on the conversion of a Related Party Performance Right will be increased by the number of Shares or other Equity Securities which the Holder would have received if the Holder had converted the Related Party Performance Right before the record date for the bonus issue.

Dividend and Voting Rights

The Related Party Performance Rights do not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends (whether fixed or at the discretion of directors).

Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Related Party Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Related Party Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Related Party Performance Right would result in a contravention of the General Prohibition:

- i. Holders may give written notification to the Company if they consider that the conversion of a Related Party Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Related Party Performance Right will not result in any person being in contravention of the General Prohibition; and
- ii. the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (i) above within seven days if the Company considers that the conversion of a Related Party Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Related Party Performance Right will not result in any person being in contravention of the General Prohibition.

No rights to return of capital

A Related Party Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

Rights on winding up

A Related Party Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

No other rights

A Related Party Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Schedule 2 – SUMMARY OF THE MATERIAL TERMS OF THE PLAN

The following is a summary of the material terms of the Plan:

Term	Summary
Eligibility	Offers may be made at SILK's discretion to employees of SILK or a related body corporate (Group) or any other person that the Board determines to be eligible to receive a grant.
Types of Securities	<p>SILK may grant Performance Rights, Options, Units, Shares and/or restricted Shares as incentives, subject to the terms of individual offers.</p> <p>Performance Rights are an entitlement to receive Shares subject to the satisfaction of applicable conditions.</p> <p>Options are an entitlement to receive Shares upon satisfaction of applicable conditions and exercise (which may include payment of an applicable exercise price).</p> <p>Units are an entitlement to a cash payment subject to the satisfaction of applicable conditions.</p> <p>Restricted Shares are Shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.</p> <p>Unless otherwise specified in an offer document, the Board has discretion to settle Options or Rights with a cash equivalent payment.</p>
Offers under Plan Rules	Under the Plan Rules, SILK may make offers at its discretion, subject to any requirements for Shareholder approval. The Board has discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant (and this may occur via an "opt out" basis).
Issue Price	Unless the Board determines otherwise, no payment is required for a grant of Rights, Options, Units or Restricted Shares allocated under the Plan Rules.
Vesting	<p>Vesting of incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will lapse or be forfeited (as applicable) if the performance and/or vesting conditions are not satisfied.</p> <p>The Board has discretion to delay or suspend vesting in certain circumstances.</p> <p>To receive Shares (or a cash equivalent payment), vested Options must be exercised and the exercise price (if any) must be paid, which may occur through a cashless exercise mechanism. Rights may be exercisable (if specified in the individual offer) or automatically exercised on vesting. No exercise price is payable in respect of Rights. No exercise mechanism or exercise price applies to Units or restricted Shares.</p>

Cessation of Employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of incentive awards on cessation of employment. It is intended that individual offer documents will provide more specific information on how the incentive awards will be treated if the participant ceases employment with the Group. Termination benefits approval will be obtained for the giving of these benefits under the Plan Rules.
Clawback and Preventing Inappropriate Benefits	The Plan Rules provide the Board with broad malus and clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of Control	The Plan Rules provide the Board with discretion in various change of control scenarios. For example, the Board may determine that all or a specified number of a participant's incentives will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Plan Rules.
Rights Issues, Bonus Issues, Corporate Actions and other Capital Reconstructions	<p>The Plan Rules include specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions.</p> <p>Participants holding Rights or Options are not entitled to participate in new issues of securities by SILK prior to the vesting (and exercise, if applicable) of their incentives. In the event of a bonus issue, the Rights or Options will be adjusted in the manner allowed or required by the ASX Listing Rules.</p>
Restrictions on Dealing	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, employees will be free to deal with their incentives, subject to the Securities Dealing Policy.
Other Terms	The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan. This includes discretion to amend the provisions of the Equity Incentive Plan or the terms or conditions of incentives granted under the Plan Rules (subject to the ASX Listing Rules).

SILK

LASER CLINICS

ACN 645 400 399

Need assistance?**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact

SLA

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Silk Laser Australia Limited Annual General Meeting

The Silk Laser Australia Limited Annual General Meeting will be held on Tuesday, 22 November 2022 at 10:30am (Adelaide time). You are encouraged to participate in the meeting using the following options:

**MAKE YOUR VOTE COUNT**

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:

**Control Number: 999999****SRN/HIN: I9999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:30 am (Adelaide time) Sunday, 20 November 2022

**ATTENDING THE MEETING IN PERSON**

The meeting will be held at:
Grant Thornton House, Level 3, 170 Frome Street, Adelaide South Australia 5000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

SILK

LASER CLINICS

ACN 645 400 399

SLA

MR SAM SAMPLE
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123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30 am (Adelaide time) Sunday 20 November 2022**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Silk Laser Australia Limited hereby appoint

☐

the Chairman
of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Silk Laser Australia Limited to be held at Grant Thornton House, Level 3, 170 Frome Street, Adelaide South Australia 5000 on Tuesday, 22 November 2022 at 10:30am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item/s 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Jacinta Caithness as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Managing Director participation in SILK Laser Australia Limited Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

