

LBT INNOVATIONS LIMITED
ACN 95 107 670 673

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held at

Date: Wednesday 18 January 2017

Time: 11:00am (Adelaide time)

Place: Thomson Geer Lawyers, Level 7, 19 Gouger Street, Adelaide, South Australia, 5000

This is an important document and requires your attention

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Extraordinary General Meeting of LBT Innovations Limited ACN 107 670 673 (**Company**) will be held at 11:00am (Adelaide time) on Wednesday 18 January 2017 at Thomson Geer Lawyers Level 7, 19 Gouger Street, Adelaide, South Australia.

AGENDA

Resolution 1 – Ratification of prior Issue of Tranche 1 Securities to non-related parties

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior allotment, issue and placement on 12 December 2016 of 11,399,990 fully paid ordinary shares in the Company together with 5,699,995 attached Options (**Tranche 1 Securities**), to the non-related parties on the terms and conditions specified in the Explanatory Memorandum."*

The directors unanimously recommend that you vote in favour of this Resolution 1

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 by any person issued Tranche 1 Securities and any associate of such persons.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Resolution 2 – Approval of proposed issue of Tranche 2 Securities to non-related parties

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

*'That, for the purposes of the ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the proposed allotment, issue and placement of up to 10,088,210 fully paid ordinary shares in the Company together with 5,044,105 attached Options (**Tranche 2 Securities**) to the non-related parties and on the terms and conditions specified in the Explanatory Memorandum.'*

The directors unanimously recommend that you vote in favour of this Resolution 2

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2 by any person who may participate in the issue of Tranche 2 Securities and any associate of such persons.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Resolution 3 – Approval of proposed issue of Securities to a related party (Robert Finder)

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

‘That, for the purposes of the ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment, issue and placement of 322,580 fully paid ordinary shares in the Company together with 161,290 attached Options to a Director of the Company, Robert Finder (and/or nominee), on the terms and conditions set out in the Explanatory Memorandum.’

Dr Caroline Popper, being the only Director not participating in the issue of the Director Securities, recommends that Shareholders vote in favour of this Resolution 3.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 3 by Robert Finder or by any associates of Robert Finder.

However, a person described above may cast a vote on Resolution 3 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Resolution 4 – Approval of proposed issue of Securities to a related party (Catherine Costello)

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

‘That, for the purposes of the ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment, issue and placement of 322,580 fully paid ordinary shares in the Company together with 161,290 attached Options to a Director of the Company, Catherine Costello (and/or nominee), on the terms and conditions set out in the Explanatory Memorandum.’

Dr Caroline Popper, being the only Director not participating in the issue of the Director Securities, recommends that Shareholders vote in favour of this Resolution 4.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by Catherine Costello or by any associates of Catherine Costello.

However, a person described above may cast a vote on Resolution 4 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Resolution 5 – Approval of proposed issue of Securities to a related party (Brenton Barnes)

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

'That, for the purposes of the ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment, issue and placement of 322,580 fully paid ordinary shares in the Company together with 161,290 attached Options to a Director of the Company, Brenton Barnes (and/or nominee), on the terms and conditions set out in the Explanatory Memorandum.'

Dr Caroline Popper, being the only Director not participating in the issue of the Director Securities, recommends that Shareholders vote in favour of this Resolution 5.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by Brenton Barnes or by any associates of Brenton Barnes.

However, a person described above may cast a vote on Resolution 5 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Resolution 6 – Approval of proposed issue of Securities to a related party (Stephen Mathwin)

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

'That, for the purposes of the ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment, issue and placement of 129,032 fully paid ordinary shares in the Company together with 64,516 attached Options to a Director of the Company, Stephen Mathwin (and/or nominee), on the terms and conditions set out in the Explanatory Memorandum.'

Dr Caroline Popper, being the only Director not participating in the issue of the Director Securities, recommends that Shareholders vote in favour of this Resolution 6.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 by Stephen Mathwin or by any associates of Stephen Mathwin.

However, a person described above may cast a vote on Resolution 6 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the meeting is appointed as proxy and the proxy form expressly authorises the Chair to exercise the proxy.

Dated: 13 December 2016

By order of the Board



.....
Dan Hill

Company Secretary

NOTES

- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Extraordinary General Meeting will be as it appears in the share register at 7:00pm (Adelaide time) Monday 16 January 2017. Accordingly, those persons are entitled to attend and vote at the meeting.
- 2 If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- 3 To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- 4 A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
- 5 Where the member appoints 2 proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 6 The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
- 7 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit):
 - 7.1 By mail c/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Victoria 3001
 - 7.2 Intermediaries/Custodians can vote online by visiting www.intermediaryonline.com (subscribers only).
 - 7.3 By facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- 8 Any proxy form received after this deadline including at the meeting will be treated as invalid.
- 9 Except in relation to resolutions connected directly or indirectly with the remuneration of a member of the key management personnel of the Company, unless a shareholder specifically directs a proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.
- 10 Any undirected proxies held by the other directors or any other key management personnel or their closely related parties will not be voted on resolutions connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.
- 11 If a shareholder appoints the chairman of the meeting as the shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman will vote, as proxy for that shareholder, in favour of that item on a poll.
- 12 Shareholders are urged to read the directions on the proxy form carefully, especially if intending to appoint the chairman of the meeting as proxy.

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Extraordinary General Meeting to be held on Wednesday 18 January 2017. These explanatory notes should be read with, and form part of, the accompanying Notice of Extraordinary General Meeting.

On 2 December 2016, the Company announced:

- it had completed a placement of Shares in the Company and attached Options on the basis of one Option for every two Shares (Tranche 1 Securities) at an issue price of \$0.31 per Share raising \$3,533,996.90
- subject to Shareholder approval, the Company will undertake a further placement of Shares in the Company and attached Options (Tranche 2 Securities), on the same terms and conditions as the Tranche 1 Securities, to raise an additional \$3,127,345.10, and
- subject to Shareholder approval, the Company will undertake a placement of Shares in the Company and attached Options, to four Directors of the Company (Director Securities), on the same terms and conditions as the Tranche 1 Securities and Tranche 2 Securities, raising an additional \$340,000.

(together the **Placement**).

The Company engaged Bell Potter Securities Limited (Bell Potter) to act as lead manager for the Placement. The Company has also engaged Roth Capital Partners, LLC, (Roth Capital) as its exclusive agent in the United States for the Placement in respect of institutional accredited investors in the United States.

Together the total placement of Shares and attached Options will raise approximately \$7.0 million for the Company before expenses.

The Tranche 1 Securities are the subject matter of Resolution 1, the Tranche 2 Securities are the subject matter of Resolution 2 and the Director Securities are the subject matter of Resolutions 3 to 6.

Resolution 1 – Ratification of prior issue of Tranche 1 Securities to non-related parties

The issue of the Tranche 1 Securities occurred on 12 December 2016, comprising the issue of 11,399,990 fully paid ordinary Shares in the Company together with 5,699,995 attached Options.

Resolution 1 proposes that Shareholders ratify the allotment and issue of Tranche 1 Securities to the non-related parties.

ASX Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of shareholders.

Under ASX Listing Rule 7.4, the issue of securities made without shareholder approval is regarded as having been made with shareholder approval, if the issue did not breach ASX Listing Rule 7.1 and shareholder approval is obtained after the issue.

Whilst the issue of the Tranche 1 Securities did not exceed the 15% annual limit, the passing of Resolution 1 will ensure that ASX Listing Rule 7.1 does not limit the Company's ability to issue any further equity securities within the 15% annual limit prescribed in the ASX Listing Rules in the next 12 months.

If the Resolution 1 is not passed then the Tranche 1 Securities will be issued as part of the Company's 15% placement capacity and the Company will be considerably restricted from issuing further securities over the 12 month period following the issue of the Tranche 1 Securities, unless an exception to Listing Rule 7.1 applies or Shareholder approval is obtained.

Information required by ASX Listing Rule 7.5

The information required by ASX Listing Rule 7.5 in respect of the Tranche 1 Securities is set out below:

- (i) Number of Tranche 1 Securities issued:

The Tranche 1 Securities issued comprised 11,399,990 fully paid ordinary shares in the Company together with 5,699,995 attached Options.

(ii) Price at which the Tranche 1 Securities were issued:

The issue price of each Share was \$0.31 per Share. The attached Options were granted for nil consideration on the basis of one Option for every two Shares subscribed.

(iii) Terms of the Tranche 1 Securities:

The Shares were issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing Shares. The attached Options are exercisable at \$0.4425 and have an expiry date of 9 December 2018. A summary of the terms and conditions of the Options is detailed in Annexure A.

(iv) Names of the allottees or the basis on which allottees were determined:

The Tranche 1 Securities were issued and allotted to various sophisticated and professional investors, identified by our lead manager, Bell Potter, or in respect of institutional accredited investors in the United States, Roth Capital.

(v) Intended use of the funds raised:

The allotment and issue of the Tranche 1 Securities raised \$3,533,996.90, which will be used by the Company to:

- accelerate the commercialisation of two products: APAS® Independence and APAS® Incubot;
- fast track engineering plans, including partnerships with Engineering companies;
- accelerate the development and delivery of Analysis Modules (software that interprets the plates);
- cover the costs of the capital raising; and
- general working capital.

The directors unanimously recommend that you vote in favour of this Resolution 1.

Resolution 2 – Approval of proposed issue of Tranche 2 Securities to non-related parties

Resolution 2 proposes that Shareholders approve the allotment and issue of the Tranche 2 Securities to the non-related parties, comprising the allotment of 10,088,210 ordinary shares and 5,044,205 Options.

ASX Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period unless such issue is approved by an ordinary resolution of shareholders. Resolution 2 seeks such approval by an ordinary resolution of Shareholders.

If Resolution 2 is passed the Tranche 2 Securities will be issued with Shareholder approval, and accordingly those securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to ASX Listing Rule 7.1 or the 10% additional placement capacity to issue securities without Shareholder approval pursuant to ASX Listing Rule 7.1A (as approved by the Shareholders at the 2016 AGM).

If Resolution 2 is not passed, the Company will not issue the Tranche 2 Securities.

Information required by ASX Listing Rule 7.3

The information required by ASX Listing Rule 7.3 in respect of the Tranche 2 Securities is set out below:

(i) Maximum number of Tranche 2 Securities to be issued:

The Tranche 2 Securities comprise up to a maximum of 10,088,210 ordinary shares and 5,044,205 attached Options.

(ii) When the securities will be issued:

The Tranche 2 Securities will be issued no later than three months from the date of this Meeting.

(iii) Price at which the Tranche 2 Securities are to be issued:

The issue price of each Share will be \$0.31 per Share. The attached Options will be granted for nil consideration, on the basis of one Option for every two Shares subscribed.

(iv) Names of the allottees or the basis on which allottees will be identified or selected:

The Tranche 2 Securities were nominated to be issued and allotted to various sophisticated and professional investors, identified by our lead manager, Bell Potter, or in respect of institutional accredited investors in the United States, Roth Capital.

Terms of the Tranche 2 Securities:

The Shares will be issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing Shares. The attached Options will be exercisable at \$0.4425 and will have an expiry date of 9 December 2018. A summary of the terms and conditions of the Options is detailed in Annexure A.

(v) Intended use of the funds raised:

The allotment and issue of the Tranche 2 Securities will raise up to \$3,127,345.10, which will be used by the Company to:

- accelerate the commercialisation of two products: APAS® Independence and APAS® Incubot;
- fast track engineering plans, including partnerships with Engineering companies;
- accelerate the development and delivery of Analysis Modules (software that interprets the plates);
- cover the costs of the capital raising; and
- general working capital.

(vi) Issue date:

The Tranche 2 Securities will be issued on the business day following the day cleared funds for the Tranche 2 Securities are received by the Company following shareholder approval. This is expected to occur on 25 January 2017.

The directors unanimously recommend that you vote in favour of this Resolution 2.

Resolutions 3 to 6 inclusive – Approval of the proposed issue of Securities to Directors

Resolutions 3 to 6 propose that Shareholders approve the allotment and issue of the Shares in the Company and attached Options, to the Relevant Directors (or their associates), on the same terms and conditions as the Tranche 1 Securities and the Tranche 2 Securities.

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the Company or a related party, is in the ASX's opinion, such that approval should be obtained from the Shareholders of the company, unless an exception in ASX Listing Rule 10.12 applies. The Relevant Directors are related parties of the Company by virtue of their position as Directors of the Company and the exceptions set out in ASX Listing Rule 10.12 do not apply.

Accordingly, Shareholder approval for the issue of the Director Securities to the Relevant Directors, is required and sought separately for each Relevant Director in Resolutions 3 to 6.

ASX Listing Rule 7.2 provides that Shareholder approval under ASX Listing Rules 7.1 is not required for the issue of securities to related parties which are approved under ASX Listing Rules 10.11 (exception 14).

If Resolutions 3, 4, 5 or 6 is passed Directors Securities will be issued to the Relevant Directors named in the resolutions which have been passed. As the issue of Directors Securities will made be with Shareholder approval, those Directors Securities will not be counted towards the 15% limit on the issue of securities without Shareholder approval pursuant to ASX Listing Rule 7.1 or the 10% additional placement capacity to issue securities without Shareholder approval pursuant to ASX Listing Rule 7.1A (as approved by the Shareholders at the 2016 AGM).

If Resolutions 3, 4, 5 or 6 is not passed, the Company will not issue Directors Securities to the Relevant Director named in the Resolution which was not passed. Resolutions 3 to 6 are not interconditional.

Shareholder approval under Chapter 2E of the Corporations Act not sought

For a public company to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 221 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216.

The issue of the Director Securities to the Relevant Directors falls within the definition of a "financial benefit" for the purposes of the Corporations Act, as each of the Relevant Directors who will receive Director Securities (if the Resolutions 3 to 6 are passed) are related parties of the Company.

Consequently, the issue of the Director Securities to the Relevant Directors, will for the purposes of Chapter 2E of the Corporations Act, constitute giving a financial benefit to related parties of the Company.

Section 210 of the Corporations Act provides an exemption for transactions that are on terms that would be reasonable if the Company and the related party were dealing at arm's length. The Director Securities will be offered to the Relevant Directors (or nominees) on the same terms as those applicable to the allottees (who are each non-related parties) in the placement of the Tranche 1 Securities and the Tranche 2 Securities.

As the Director Securities will be issued on the same arm's length terms as apply to the Tranche 1 Securities and Tranche 2 Securities, the exemption in section 210 of the Corporations Act applies to the participation of the Relevant Directors (or nominees) in the placement of the Director Securities. Therefore, Shareholder approval for the purposes of Chapter 2E of the Corporations Act is not being sought.

Information required by ASX Listing Rule 10.13

The information required by ASX Listing Rule 10.13 in respect of the Director Securities to be issued to the Relevant Directors is set out below:

- (i) The names of the Relevant Directors (or nominees), and the maximum number of Director Securities to be issued to each Relevant Director (or nominees):

Relevant Director	Resolution Number	Consideration	Shares to be issued	Attaching Options to be issued
Robert Finder	3	\$100,000	322,580	161,290
Catherine Costello	4	\$100,000	322,580	161,290
Brenton Barnes	5	\$100,000	322,580	161,290
Stephen Mathwin	6	\$40,000	129,032	64,516
Total		\$340,000	1,096,772	548,386

(ii) When the securities will be issued:

The Director Securities will be issued no later than one month from the date of this Meeting, and in any event on the same day as the Tranche 2 Securities are issued.

(iii) Price at which the Director Securities are to be issued:

The issue price of each Share will be \$0.31 per Share. The attached Options will be granted for nil consideration, on the basis of one Option for every two Shares subscribed.

(iv) Terms of the Director Securities:

The Shares will be issued as fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing Shares. The attached Options will be exercisable at \$0.4425 and will have an expiry date of 9 December 2018. The terms and conditions of the Options are detailed in Annexure A.

(v) Intended use of the funds raised:

The allotment and issue of the Director Securities will raise up to \$340,000, which will be used by the Company to:

- accelerate the commercialisation of two products: APAS® Independence and APAS® Incubot;
- fast track engineering plans, including partnerships with Engineering companies;
- accelerate the development and delivery of Analysis Modules (software that interprets the plates);
- cover the costs of the capital raising; and
- general working capital.

Dr Caroline Popper, being the only Director not participating in the issue of the Director Securities, recommends that Shareholders vote in favour of the Resolutions 3 to 6.

Glossary

In this Explanatory Memorandum, the following terms have the following unless the context otherwise requires:

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the board of Directors of the Company.

Chair means the chairperson of the Meeting.

Company or **LBT** means LBT Innovations Limited (ACN 107 670 673).

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Director means a director of the Company.

Director Securities means the proposed issue of 1,177,416 Shares and 588,708 attaching Options to the Relevant Directors (or their nominees), as detailed in Resolutions 3 to 6.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Extraordinary General Meeting or Meeting means the extraordinary general meeting of the Company to be held at the time and place specified in the Notice of Meeting.

Notice of Meeting means this document, comprising the notice of meeting, the Explanatory Memorandum, Annexure A and a proxy form.

Option means an unlisted option to subscribe for a Share, with the terms and conditions summarised in Annexure A.

Related party has the meaning given to that term in Section 228 of the Corporations Act.

Relevant Directors means Robert Andrew Finder, Brenton Barnes, Catherine Mary Costello and Stephen Paul Mathwin.

Resolutions means the resolutions to be considered by the Shareholders of the Company, as set out in this Notice of Meeting.

Shareholder means a holder of a Share.

Shares means a fully paid ordinary share in the capital of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tranche 1 Securities means the 11,399,990 Shares and 5,699,995 attaching Options issued on 9 December 2016 to various sophisticated and professional investors, as described in Resolution 1.

Tranche 2 Securities means the proposed issue of 10,088,210 Shares and 5,699,995 Options to various sophisticated and professional investors, as described in Resolution 2.

Annexure A of the Explanatory Memorandum

OPTIONS TERMS AND CONDITIONS RELATING TO RESOLUTIONS 1 TO 6 INCLUSIVE

The rights attaching to Options are regulated by the Constitution, the Corporations Act 2001 (Cth), the ASX Listing Rules and the general law.

The following is a summary of the key terms of the Options:

- (a) The Options will not be listed for Official Quotation on ASX.
- (b) Each Option will have an exercise price of 44.25 cents (Exercise Price).
- (c) Each Option will automatically lapse if not exercised on or before 9 December 2018 (Expiry Date).
- (d) Each Option shall entitle the holder to subscribe for and be allotted one ordinary share in the capital of the Company upon exercise of the Placement Option and payment to the Company of the Exercise Price.
- (e) An Option may be exercised by the option holder at any time prior to the Expiry Date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the certificate for the Options, to the Company. The Options may be exercised in whole or in part.
- (f) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (g) Subject to any restrictions in the ASX Listing Rules, within 3 Business Days of receipt of a properly executed notice of exercise, the number of ordinary shares specified in the notice will be allotted.
- (h) Ordinary shares allotted pursuant to the exercise of the Options will rank equally with the then issued ordinary shares of the Company.
- (i) There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to shareholders of the Company during the currency of the Options. Prior to any new pro rata issue of securities to shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the relevant record date (to determine entitlements to the issue), to exercise the Options.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be amended to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) If, before the expiry of the Options, the Company makes an issue of ordinary shares to its shareholders by way of a bonus issue, other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it (in addition to the ordinary shares which it is otherwise entitled to have issued to it upon such exercise) additional ordinary shares in the Company. The number of additional ordinary shares is the number of ordinary shares which would have been issued to the option holder if the Options had been exercised before the record date for the bonus issue.
- (l) The Options do not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised, other than under paragraphs (k) and (l) above.



LBT INNOVATIONS

LBT Innovations Limited

ACN 107 670 673



LBT

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

Lodge your vote:



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

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For your vote to be effective it must be received by 11:00am (Adelaide time) Monday 16 January 2017

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

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

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

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I/We being a member/s of LBT Innovations 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 Extraordinary General Meeting of LBT Innovations Limited to be held at **Thomson Geer Lawyers, Level 7, 19 Gouger Street, Adelaide, South Australia on Wednesday 18 January 2017 at 11:00am (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 **Items 3-6** (except where I/we have indicated a different voting intention below) even though **Items 3-6** 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 3-6** by marking the appropriate box in step 2 below.

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.

ORDINARY BUSINESS

	For	Against	Abstain
1. Ratification of prior issue of Tranche 1 Securities to non-related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of proposed issue of Tranche 2 Securities to non-related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of proposed issue of Securities to a related party (Robert Finder)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of proposed issue of Securities to a related party (Catherine Costello)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of proposed issue of Securities to a related party (Brenton Barnes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of proposed issue of Securities to a related party (Stephen Mathwin)	<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.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

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