



ITL Health Group Limited  
ABN 16 088 212 088

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of ITL Health Group Limited will be held at Level 3, 10 Moore Street, Canberra, 2001, on Friday 26 October 2018 at 10.00am AEDT.

## **BUSINESS**

### **1. FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the annual financial report of the Company and its controlled entities and the related reports of the Directors and auditor for the year ended 30 June 2018, and to provide Shareholders with the opportunity to raise any issues or ask any questions of the Directors.

### **2. ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, pass the following Resolution in accordance with subsections 250R(2) and 250R(3) of the Corporations Act 2001:

**Resolution 1**        *'That the remuneration report included in the 2018 Directors' Report be adopted.'*

Notes:

- a. The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- b. The Directors will consider the outcome of the vote and comments made by Shareholders on the remuneration report at the Meeting when reviewing the Company's remuneration policies.
- c. If 25% or more of votes cast are against the adoption of the remuneration report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.
- d. The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

### **3. EXECUTIVE CHAIRMAN'S ADDRESS AND PRESENTATION**

### **4. RE-ELECTION OF DIRECTOR**

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

**Resolution 2**        *"That Mr. William Mobbs be re-elected as a Director of the company."*

Note: The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

## 5. APPROVAL OF ON-MARKET SHARE BUY-BACK

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

- Resolution 3**      *“That the Company authorise and approve the buy-back of up to 20% of the issued Shares by buy-back agreements under on-market buy-backs, and the terms and entry into of the buy-back agreements to the extent that approval of such buy-back agreements is required under the Corporations Act 2001(Cth) as detailed in the Explanatory Memorandum that accompanies this Notice.”*

Note: The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

## 6. APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, pass the following Resolution as a special resolution:

- Resolution 4**      *“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of ITL at the time of issue (in addition to the 15% capacity available under Listing Rule 7.1), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”*

Note: The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

## 7. APPOINTMENT OF NEXIA COURT & CO TO ITL HEALTH GROUP LIMITED

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

- Resolution 5**      *“That, in accordance with section 329 of the Corporations Act 2001 (Cth) and for all other purposes, Nexia Court & Co having consented in writing to act in the capacity of Auditor, be appointed as the auditor of ITL Health Group Limited subject to any necessary approvals from ASIC”*

Note: The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution

## 8. OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Company's Constitution and the Corporations Act.

## 9. CLOSE OF MEETING

## Voting Exclusion Statement

The Company will disregard any votes cast on:

a. Resolution 1 (Adoption of Remuneration Report):

- i. by or on behalf of a member of the Key Management Personnel (whose remuneration is disclosed in the remuneration report), and any of their Closely Related Parties; and
- ii. as a proxy by a member of the Key Management Personnel, or any of their Closely Related Parties.

b. Resolution 4 (Approval of 10% Additional Placement Capacity):

- i. Any person who may participate in the issue of the Equity Securities under this Resolution and a person who might obtain benefit, except a benefit solely in the capacity as a Shareholder if the Resolution is passed; and
- ii. An associate of those persons
- iii. As at the date of this Notice of Meeting, ITL has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolutions:

- c. in accordance with their directions of how to vote on the proxy form; or
- d. by the Chairman of the Meeting under the authorisation on the proxy form.

The Chairman will vote all undirected proxies in favour of these resolutions. If you wish to vote “against” or “abstain” you should mark the relevant boxes in the attached proxy form.

## OTHER INFORMATION

An Explanatory Memorandum accompanies and forms part of this Notice.

All Shareholders should read the Explanatory Memorandum carefully in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

## NOTES

### Voting entitlement

The Directors have decided that for the purpose of determining entitlements to attend and vote at the Meeting, Shares will be taken to be held by the persons who are the registered holders at 7:00pm (AEDT) on Wednesday, 24 October 2018. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting

#### *How to vote*

Shareholders entitled to vote at the Meeting may vote:

- by attending the Meeting and voting in person;
- by voting online at [www.votingonline.com.au/itlagm2018](http://www.votingonline.com.au/itlagm2018);
- by appointing an attorney to attend the Meeting and vote on their behalf or, in the case of corporate shareholders or proxies, a corporate representative to attend the Meeting and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate.

#### *Voting in person (or by attorney)*

Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Meeting and bring a form of personal identification (such as their driver's licence).

To vote by attorney at this Meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by ITL before 10:00am (AEDT) on Wednesday, 24 October 2018 in any of the following ways:

➤ by hand delivery to:

Boardroom Pty Limited  
Level 12  
Grosvenor Place  
225 George Street  
Sydney NSW 2000

➤ or by post to:

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the Meeting to be held at ITL Health Group Limited, Level 3, 10 Moore Street, Canberra, 2001, on Friday 26 October 2018 at 10.00am AEDT

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the Shares in respect of which the vote was cast,

unless ITL received written notification of the death, mental incapacity, revocation or transfer before the Meeting or adjourned meeting.

#### *Voting by proxy*

Shareholders wishing to vote by proxy at this Meeting must:

- complete and sign or validly authenticate the proxy form, which is enclosed with this Booklet; and
- deliver the signed and completed proxy form to ITL by 10:00am (AEDT) on Wednesday, 24 October 2018 in accordance with the instructions below.
- A person appointed as a proxy may be an individual or a body corporate.

#### *Submitting proxy votes*

Shareholders wishing to submit proxy votes for the Meeting must return the enclosed proxy form to the Registry in any of the following ways:

➤ by hand delivery to:

Boardroom Pty Limited  
Level 12  
Grosvenor Place  
225 George Street  
Sydney NSW 2000

➤ by post to:

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

➤ or by facsimile to:

02 9290 9655 from within Australia, or +61 2 9290 9655 from outside Australia

#### *Online voting*

Shareholders may place their proxy vote via an online service. To vote online Shareholders should go to and follow the instructions at:

[www.votingonline.com.au/itlagm2018](http://www.votingonline.com.au/itlagm2018)

#### *Notes for proxies*

1. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote at the Meeting on that Shareholder's behalf.
2. A proxy need not be a Shareholder.
3. A proxy may be an individual or a body corporate. A proxy that is a body corporate may appoint a representative to exercise the powers that the body corporate may exercise as the Shareholder's proxy.
4. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.
5. A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular Resolution. If an appointment directs the way the proxy is to vote on a particular Resolution:
  - if the proxy is the Chairman of the Meeting - the proxy must vote on a poll and must vote in the way directed; and
  - if the proxy is not the Chairman of the Meeting - the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.
6. If a proxy appointment is signed or validly authenticated by the Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Meeting may either act as proxy or complete the proxy appointment by inserting the name or names of one of more Directors or ITL Secretary.
7. If:
  - a Shareholder nominates the Chairman of the Meeting as the Shareholder's proxy; or
  - the Chairman of the Meeting is to act as proxy if a proxy appointment is signed by a Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the proxy form,then the person acting as Chairman of the Meeting in respect of an item of business at the Meeting must act as proxy under the appointment in respect of that item of business.
8. To the extent permitted by law, proxy appointments in favour of the Chairman of the Meeting, ITL Secretary or any Director which do not contain a direction will be voted in support of all Resolutions.

#### *Corporate representatives*

1. To vote in person at the Meeting, a Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.
2. To vote by corporate representative at the Meeting, a corporate Shareholder or proxy should obtain an Appointment of Corporate Representative Form from the Registry, complete and sign the form in accordance with the instructions on it. The appointment should be lodged at the registration desk on the day of the Meeting.
3. The appointment of a representative may set out restrictions on the representative's powers.
4. The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.
5. The Chairman of the Meeting may permit a person claiming to be a representative to exercise the body's powers

even if he or she has not produced a certificate or other satisfactory evidence of his or her appointment.

**Jointly held shares**

If Shares are jointly held, only one of the Shareholders can vote. If more than one joint Shareholder votes, only the vote of the Shareholder whose name appears first on the register of Shareholders will be counted.

By order of the Board

A handwritten signature in black ink, appearing to be 'Trevor Doolan', with a stylized, cursive script.

**Trevor Doolan**  
**Company Secretary**  
**6 September 2018**

# EXPLANATORY MEMORANDUM

## AGENDA ITEM 1 –FINANCIAL STATEMENTS AND REPORTS

As required by section 317 of the Corporations Act, ITL will lay its annual financial report, Directors' report, and auditor's report for the year ended 30 June 2018 before its Shareholders at the Meeting. There is no requirement for Shareholders to approve these reports. However, the Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, any aspect of the report they wish to discuss.

Shareholders will be given a reasonable opportunity to ask representatives from the auditor any questions about the conduct of the audit and the content of the auditor's report.

## AGENDA ITEM 2 – ADOPTION OF REMUNERATION REPORT

### Resolution 1 – Remuneration Report

Resolution 1 provides Shareholders the opportunity to vote on the Company's remuneration report, which is contained in the Directors' report within the Company's 2018 annual report.

**The Resolution is advisory only and does not bind the Company or the Directors.**

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report. The Directors will consider the outcome of the vote and comments made by Shareholders on the remuneration report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must stand for re-election. The Remuneration Report for the 2017 financial year was approved at the 2017 annual general meeting by more than 75% of votes cast on the corresponding resolution to Resolution 1.

### *Voting exclusions*

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Key Management Personnel (whose remuneration is disclosed in the remuneration report, including Directors) and any of their Closely Related Parties;
- as a proxy by a member of the Key Management Personnel or any of their Closely Related Parties and;
- unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 1;
  - in accordance with their directions of how to vote on the proxy form; or
  - by the Chairman of the Meeting under an express authorisation on the proxy form.

The Company encourages all Shareholders to cast their votes on this Resolution. The Chairman will vote all available proxies in favour of this Resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

## AGENDA ITEM 4 – RE-ELECTION OF DIRECTOR

In accordance with Listing Rule 14.5 an entity that has directors must hold an election of directors each year. Mr William Mobbs retires at this Meeting and, being eligible, offers himself for re-election. Please refer to Directors' Report in Annual Report for a profile of Mr Mobbs.

The Directors (other than Mr William Mobbs who, given his interest in the outcome of this Resolution, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

## **AGENDA ITEM 5 - APPROVAL OF ON-MARKET SHARE BUY-BACK**

### **5.1 Overview**

One of ITL's goals is to manage its capital so as to achieve the most efficient capital structure and optimise returns to Shareholders.

Since 2011, ITL has been undertaking a number of buy-backs with Shareholder approval. Most recently, ITL announced on 1 December 2017 that it was undertaking a buy-back scheme of up to 20% of Shares on-market over a 12 month period to 29 November 2018. This buy-back required Shareholder approval which was granted at the annual general meeting of Shareholders held on 30 November 2017. As at the date of this Notice of Meeting, 8,121,327 shares have been bought back under the program.

The current buy-back approved at the annual general meeting held on 30 November 2017 terminates on 29 November 2018.

Accordingly ITL is seeking to obtain approval so that it has the flexibility to undertake further buy-backs in the 12 month period following Shareholder approval should market conditions support this. ITL believes that such flexibility will support its goals of achieving the most efficient capital structure possible, and optimising returns to Shareholders.

Having regard to the available funding, projected cash flows and capital requirements over the next 12 months, the Board has determined that ITL may have capacity to return further capital to Shareholders. ITL has decided to return this capital by buying back Shares.

ITL is seeking Shareholder approval to buy-back Shares on-market. If Shareholders approve the buy-back, ITL will conclude the current buy-back program and will be permitted to buy back a maximum of 20% of the number of Shares it has on issue at the date of this Meeting, on-market over the next 12 months.

This part of the Explanatory Memorandum sets out information that is material to the Shareholders' decision on how to vote on the buy-back Resolution, including the reasons for the buy-back, the applicable terms, the financial implications and the possible advantages and disadvantages of the on-market buy-back program.

### **5.2 Purpose of the Resolution**

The purpose of the buy-back Resolution is to seek Shareholder approval for the proposed buy-back program. Under the Corporations Act, ITL must obtain Shareholder approval to buy-back more than 10% of the smallest number of voting Shares that ITL had on issue during the 12 months preceding the buy-back.

The buy-back Resolution will be approved if more than 50% of votes cast on the Resolution are in favour of the Resolution.

### **5.3 Reasons for the buy-back**

The Board considers that, having regard to available funding, projected cash flows and capital requirements over the 12 months after this Meeting, ITL may have capacity to return further capital to Shareholders.

The Board considers that an on-market buy-back is an effective means of returning any surplus capital to Shareholders and will enable ITL to maintain an efficient capital structure. Implications of the buy-back program for ITL's financial position are set out in Section 5.6.

### **5.4 Director recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

However in deciding how to vote, Shareholders should be aware that, among other things, some of the disadvantages of the buy-back include:

- ITL's net assets will be reduced by the amount expended on the buy-backs;
- the buy-backs may provide some liquidity in ITL's Shares in the short term however will likely result in reducing the liquidity in ITL's Shares in the long term due to a smaller number of Shares on issue for trading; and
- the buy-back will have an impact on control of ITL as set out in Section 5.7.



## 5.5 Outline of on-market buy-backs

An on-market buy-back involves ITL buying Shares in the ordinary course of trading at the prevailing market price on the ASX, in the same way as any other market transaction.

The implementation of an on-market buy-back is regulated by both ASIC and the ASX. In particular, the Listing Rules prescribe that the buy-back price must not be more than 5% above the average of the closing market prices for Shares in ITL over the previous 5 days trading in which sales were recorded before the buy-back.

The closing price of ITL's Shares on the ASX on 4 September 2018 was \$0.185.

ITL must announce on the ASX the period during which Shares may be bought back (if ITL has determined this), the maximum number of Shares intended to be bought back and any other information that affect a Shareholder's decision to sell Shares. ITL also has to give daily notices containing details of the Shares bought back.

All holders of Shares are eligible to participate by selling their Shares to ITL on the ASX. Participation in any buy-back is voluntary. Shareholders do not have to sell their Shares if they do not want to. Shareholders will not, however, have the right to withdraw sales once made.

The maximum number of Shares that ITL will buy-back on-market will be an amount equal to 20% of the issued Shares in ITL as at the date of the Meeting. At the date of this Notice of Meeting, there are 85,552,339 Shares on issue. Assuming there are no further issues or buy-backs of Shares between the date of this Notice of Meeting and the date of the Meeting the maximum number of Shares that ITL will be able to buy-back would be 17,110,467 Shares.

Since an on-market buy-back involves Shares being acquired at the market price of Shares at that time, it is not possible to anticipate the total actual amount that ITL will expend on paying for the Shares. However, the following table sets out the amount that ITL would expend on paying for the Shares (excluding brokerage fees) assuming ITL buys-back all 20% permitted under the Shareholder approval currently being sought at the prices specified in the table.

	<b>\$0.155</b>	<b>\$0.185 (closing price of the Shares on 4 September 2018)</b>	<b>\$0.215</b>
Cost excluding brokerage fees	\$2,652,122.51	\$3,165,436.54	\$3,678,750.58

The general advantages of an on-market buy-back include the following:

- purchases on-market can be tailored to changing market conditions;
- ITL has complete flexibility to adjust the volume of Shares bought and can stop buying at any time;
- implementation of an on-market buy-back is simple and cost effective; and
- the promotion of a more efficient capital structure.

## 5.6 Financial Implications of the buy-back program

The buy-back will be funded from ITL's available cash reserves (including those generated by ITL following Shareholder approval), operating results and debt facilities. At 4 September 2018, ITL and its wholly owned subsidiaries had available funding of \$4m appx., comprising mainly of cash at bank.

The Directors have determined that the buy-back will not materially prejudice ITL's ability to pay its creditors.

## 5.7 Effect on Control of ITL

William Mobbs, the Executive Chairman of ITL, through the Mobbs Group, has a relevant interest in 33,679,655 Shares, representing 39.37% of Shares.

Assuming:

- no more shares are bought back in the existing buy-back scheme;
- no more Shares are issued by ITL;

- the Mobbs Group do not sell or acquire any other Shares; and
- ITL buys-back all 20% of the Shares permitted under the Shareholder approval being sought, the relevant interest of William Mobbs will increase to 49.21% of Shares, as a result of this buy-back.

At the date of this Notice of Meeting, there were no other substantial Shareholders in ITL.

## 5.8 Other material information

### 5.8.1 Taxation implications

Approval of the Resolution will not result in any tax implications for Shareholders if they do not sell their Shares.

However if a Shareholder chooses to participate in the buy-back by selling their Shares then that Shareholder should obtain specific tax advice on the treatment of the sale of their Shares taking into account their particular circumstances.

### 5.8.2 Interest of other Directors

The following table shows the interests in ITL of the Directors other than William Mobbs (whose interests are set out in Section 5.7) at the date of this Notice of Meeting and on the assumptions that ITL does not issue Shares (including Shares issued on Completion of the Share Purchase), no more Shares are bought back under the existing buy-back scheme, ITL buys-back all 20% permitted under the Shareholder approval currently being sought, and Directors do not sell any of their Shares under the buy-back or otherwise acquire or dispose of any of their Shares.

Name	Number of Shares held	Current voting interest	Voting interest after buy-back
Mr Andrew Turnbull	2,123,786	2.48%	<b>3.10%</b>
Mr Mark Peatey	1,402,233	1.64%	<b>2.05%</b>

## AGENDA ITEM 6 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

### 6.1 Overview

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period of 12 months after the annual general meeting (**Additional 10% Placement Capacity**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

If Shareholders approve this Resolution, the number of Equity Securities the Eligible Entity may issue under the Additional 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

ITL is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. ITL currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ITD).

The exact number of Equity Securities that ITL may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:
- 6.1.1.1 plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - 6.1.1.2 plus the number of partly paid Shares that became fully paid in the 12 months;
  - 6.1.1.3 plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
  - 6.1.1.4 less the number of Shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

## 6.2 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 this Resolution.

### 6.2.1 Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 ASX trading days of the date in the paragraph above, the date on which the Equity Securities are issued.

### 6.2.2 Risk of voting dilution

Shareholders should note that there is a risk that:

- the market price for Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

Any issue of Equity Securities under the Additional 10% Placement Capacity will dilute the voting interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and ITL issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice of Meeting.

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 Additional 10% Placement Capacity.

Shares on Issue		50% decrease in Issue Price	Issue Price (current)	100% increase in Issue Price
85,552,339	Shares issued – 10% voting dilution	8,552,339	8,552,339	8,552,339
Current shares on issue	Funds Raised	\$791,091.36	\$1,582,182.72	\$3,164,365.43
128,328,509	Shares issued – 10% voting dilution	12,832,851	12,832,851	12,832,851
(50% increase in current base shares)	Funds Raised	\$1,187,038.72	2,374,077.44	\$4,748,154.87
171,104,678	Shares issued – 10% voting dilution	17,110,468	17,110,468	17,110,468
(100% increase in current base shares)	Funds Raised	\$1,582,718.29	\$3,165,436.58	\$6,330,873.16

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above assumes the following:

- There are currently 85,552,339 existing Shares as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on ASX of \$0.185 on 4 September 2018.
- ITL issues the maximum possible number of Equity Securities under the Additional 10% Placement Capacity.
- ITL has not issued any other Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

#### 6.2.3 Date of issue

Equity Securities may be issued under the Additional 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- 12 months after the date of the Meeting; and
- the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of ITL's activities) or 11.2 (disposal of ITL's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

#### 6.2.4 Purpose of issue under Additional 10% Placement Capacity

ITL may issue Equity Securities under the Additional 10% Placement Capacity for the following purposes:

- as cash consideration, in which case ITL intends to use funds raised for expanding ITL's existing business (including expenses associated with MHT), pursuing other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including expenses associated with such acquisitions), general working capital and repaying debt incurred by ITL; or
- as non-cash consideration for acquisition of new assets and investments, in such circumstances ITL will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

ITL will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

#### *6.2.5 Allocation policy under the Additional 10% Placement Capacity*

ITL's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the Additional 10% Placement Capacity 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 ITL.

ITL will determine the recipients at the time of the issue under the Additional 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to ITL at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of ITL;
- the circumstances of ITL, including, but not limited to, ITL's financial position and solvency of ITL;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

#### *6.2.6 Previous approval under ASX Listing Rule 7.1A*

ITL previously obtained shareholder approval under Listing Rule 7.1A at the annual general meeting of shareholders on 30 November 2017 for the 12 months to 29 November 2018. No placement under this approval has occurred.

#### *6.2.7 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A*

When ITL issues Equity Securities pursuant to the Additional 10% Placement Capacity, it will give to ASX:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

### **6.3 Voting exclusion statement**

A voting exclusion statement is included in this Notice of Meeting. As at the date of this Notice of Meeting, ITL has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

### **6.4 Director recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

## **AGENDA ITEM 7 APPOINTMENT OF AUDITOR**

Following a tender process ITL Health Group Limited received responses from various professional external auditing firms to provide external audit services to the Group. These were evaluated not only on the financial outcomes they would deliver to the Group and their relevant experience and standing, but also on specific criteria including whether:

- they had the appropriate structures in place to service our geographical needs;
- it was thought they would be attuned to ITL's commercial needs and;
- ITL would be a priority client.

The incumbent auditors (Ernst Young) elected not to participate fully in the tender process but rather to rely on past relationships and experience with ITL and their specific company differentiation from the other tenderers they perceived.

The Audit and Risk Management Committee assessed the tender responses and recommend to the shareholders, that Nexia Court & Co Australia having consented in writing to act in the capacity of Auditor, be appointed as the auditor of ITL Health Group Limited subject to ASIC and other approvals that may be necessary, and subject to either the resignation or the removal of the current auditors.

Nexia Australia has grown to one of Australia's leading chartered accountancy firms with 60 partners and over 590 staff and offering a comprehensive range of services. Nexia also have extensive experience in assisting a diverse range of healthcare and manufacturing companies in Australia and internationally, as well as listed business audits.

A copy of the Nomination of Auditor letter accompanies this notice.

The Board recommends that shareholders vote in favour of this ordinary resolution.

## **Glossary**

In this Explanatory Memorandum, and the Notice of Meeting:

**AGM** means annual general meeting.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act.

**Board** means the board of Directors of the Company.

**Chairman** means the chairman of the Meeting.

**Closely Related Parties** means closely related party of a Key Management Personnel and includes (among others), a spouse, child or dependent of the Key Management Personnel and a company controlled by the Key Management Personnel.

**Company** means ITL Health Group Limited.

**Constitution** means the constitution of the Company. **Corporations Act** means the Corporations Act 2001 (Cth). **Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice of Meeting.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly. The Company's Remuneration Report identifies the Company's key management personnel.

**Listing Rules** means the listing rules of ASX Limited.

**Meeting** means the annual general meeting of the Company the subject of this Notice of Meeting scheduled to occur on 26 October 2018.

**Notice** means the notice of meeting in respect of the Meeting.

**Resolution** means a resolution to be considered by Shareholders at the Meeting set out in the Notice.

**Section** means a section of the Corporations Act 2001.

**Shareholder** means a holder of a Share.

**Share** means an ordinary share in the capital of the Company.

**VWAP** means Volume weighted average price

**Nomination of auditor**

I, Trevor John Doolan, being a member of ITL Health Group Limited, hereby nominate Nexia Sydney Audit Pty Ltd of Level 16, 1 Market Street, New South Wales, 2000 for appointment as auditors.

Dated this 6<sup>th</sup> day of September 2018





## All Correspondence to:

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

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Wednesday 24 October 2018.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT <https://www.votingonline.com.au/itlagm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3: Enter your Voting Access Code (VAC):

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

#### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

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

#### STEP 3 SIGN THE FORM

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

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

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

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

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

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEDT on Wednesday 24 October 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 🖥 Online: <https://www.votingonline.com.au/itlagm2018>
- 📠 By Fax: + 61 2 9290 9655
- ✉ By Mail: Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 In Person: Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

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

☐ **Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

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

☐ the Chair of the Meeting (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **ITL Health Group Limited, Level 3, 10 Moore Street, Canberra, ACT 2001 on Friday 26 October 2018 at 10:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

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

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr. William Mobbs as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of On-Market Share Buy-Back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Nexia Court & Co to ITL Health Group Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018