

WATTLE HEALTH AUSTRALIA LIMITED

ACN 150 759 363

(ASX code: WHA)

NOTICE OF 2018 ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Meeting to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street, Melbourne, Victoria on 29 November 2018 commencing at 10.00am.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.

WATTLE HEALTH AUSTRALIA LIMITED

ACN 150 759 363

Notice of Annual General Meeting

Notice is given for the 2018 Annual General Meeting of the Company to be held at Level 25, South Tower, 525 Collins Street, Melbourne Victoria, 3000 at 10.00am on 29 November 2018.

Agenda

Financial statements and reports

To receive and consider the financial statements and the reports of the Directors and of the Auditors for the year ended 30 June 2018.

Resolution 1: Adoption of Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2018 as set out in the Company's Annual Report for the year ended 30 June 2018 be adopted."

*Please note that section 250R(3) of the Corporations Act 2001 (Cth) provides that the vote on this resolution is advisory only and does not bind the Directors or the Company

Resolution 2: Election of Georgia Sotiropoulos

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

"That pursuant to the Company's Constitution and for all other purposes, Georgia Sotiropoulos having been duly appointed to the Board on 12 July 2018 to fill a casual vacancy retires as an Executive Director of the Company being eligible and having submitted herself for election, be appointed as an Executive Director of the Company."

Resolution 3: Approval of increased placement capacity

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

"That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the increase in the capacity of the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions stated in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 4: Ratification of prior issue – Options

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 issue of 4,687,500 options as set out in the ASX Announcement and Prospectus lodged with ASX on 21 May 2018 and 23 May 2018 and on the terms and conditions set out in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 5: Ratification of prior issue – Placement

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 approve and ratify the issue of 16,000,000 fully paid ordinary shares pursuant to a placement as set out in the ASX Announcement and Prospectus lodged with ASX on 21 May 2018 and 23 May 2018 and on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 6: Ratification of prior issue – ordinary shares

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 approve and ratify the issue of 320,000 fully paid ordinary shares pursuant to the acquisition of Little Innoscents as set out in the ASX Announcement and Prospectus lodged with ASX on 21 May 2018 and 23 May 2018 and on the terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

Resolution 7: Renewal of the proportional takeovers provisions in the Constitution for a further three years

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

"That for the purposes of section 648G of the Corporations Act 2001 (Cth), the proportionate takeover provisions in the Company's Constitution, section 11, be renewed for a further period of three years from the date of this meeting."

Resolution 8 – Approval of the issue of shares to One Collective Consultants Pty Ltd

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

"That pursuant to ASX Listing Rule 7.1 and for all other purposes, the shareholders approve the issue by the Company to One Collective Consultants Pty Ltd of 35,000 ordinary shares in the Company (at an issue price of \$1.10 per share) and on the

terms and conditions outlined in the Explanatory Memorandum which accompanies this Notice of Meeting."

By order of the Board

A handwritten signature in black ink, appearing to be 'G. Karafotias', written in a cursive style.

Mr George Karafotias
Company Secretary
29 October 2018

VOTING ENTITLEMENT NOTICE

For the purposes of the Meeting, the Company has determined that in accordance with regulation 7.11.37 of the Corporations Regulations, shares will be taken to be held by the persons registered as holders at 10.00 am on 27 November 2018. Accordingly, transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

PROXIES

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy form may specify the proportion or number of votes which the proxy may exercise. If it does not specify the proportion or number of votes the proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder. Proxy Forms must be lodged in accordance with the directions set out on the Proxy Form not later than 48 hours prior to the Meeting.

Appointment of Proxies

If you are entitled to vote at the Meeting you have the right to appoint a proxy to attend and vote in your place. To appoint a proxy you should complete Step 1 on the attached Proxy Form. If you wish to appoint a person other than the Chairman, you should complete the second panel in Step 1, and not “tick” the first panel.

The proxy need not be a Shareholder of the Company. If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half your votes. If there is more than one proxy appointed, on a show of hands only one of the proxies may vote, but on a poll, each proxy may exercise votes in respect of those shares the proxy represents.

Where permitted by law, the Chairman intends to vote all undirected proxies in favour of the Resolutions put in the Notice of Meeting. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention, even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Specific restrictions on, and exclusions from, voting are contained in the respective voting exclusions statements (contained in the Explanatory Memorandum) and the Proxy Form provided with this Notice of Meeting.

If a member has not directed their proxy how to vote, the proxy may vote as the proxy determines. Proxy forms must be received at the Company's Share Register, Computershare Investor Services Pty Limited at GPO Box 242, Melbourne Victoria 3001, or by fax, on 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia), by no later than 10.00 am on Tuesday 27 November 2018.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

WATTLE HEALTH AUSTRALIA LIMITED

ACN 150 759 363

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at 10am on 29 November 2018 (**Meeting**).

The Meeting will first deal with the usual regulatory requirements for an annual general meeting, namely the laying of the financial reports before the Meeting, the adoption of the Remuneration Report, and the election of a director (Resolution 1 and Resolution 2).

The next item of business, Resolution 3, seeks to give the Company some further flexibility over the following 12 months to be able to issue Shares (subject to the ASX Listing Rules) up to a further 10% of its total share capital without seeking prior shareholder approval, therefore enabling it to be able to move more quickly to seize upon any opportunities, or meet needs, should they arise.

Resolutions 4, 5 and 6 seek Shareholder ratification in respect of the issue of options, an institutional placement and issue of shares that have been undertaken since the Company's last Annual General Meeting (subject to ASX Listing Rules).

Resolution 7 seeks Shareholder approval for the renewal of the Company's Constitution proportional takeover provisions for a further three years.

Finally, Resolution 8 seeks shareholder approval for the issue of Shares to One Collective Consultants Pty Ltd issued for sales and marketing services.

1. Accounts and Reports

The Corporations Act requires the Company to provide before the Annual General Meeting, the Financial Report, Directors' report (including the Remuneration Report) and the Auditor's Report for the financial year ended 30 June 2018.

Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report at the meeting. Copies of these reports can be found on the Company's website www.wattleheath.com.au.

There is no requirement for Shareholders to approve the Financial Report, Directors' Report and Auditor's Report. Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2018;
- (b) ask questions or make comments on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;

- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1: Adoption of Remuneration Report

2.1 Corporations Act

Under the Corporations Act, listed entities are required to put to the vote a resolution that the Remuneration Report section of the Directors' Report be adopted. This Remuneration Report can be found in the Company's 2018 Annual Report. It sets out a range of matters relating to the remuneration of Directors, the Company Secretary and senior executives of the Company.

A vote on this resolution is advisory only and does not bind the Directors or the Company. A copy of the Company's 2018 Annual Report can be found on its website at www.wattlehealth.com.au.

The Corporations Act provides that:

- (a) members of the Key Management Personnel whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report, and
- (b) if the vote to approve the Remuneration Report receives a "no" vote by at least 25% of the votes cast, this will constitute a "first strike".

The Company's current "strike" count is zero. If a "first strike" was to occur at the 2018 Annual General Meeting:

- (c) the Company's subsequent Remuneration Report (in other words, the Company's Remuneration Report to be included in the 2018 Annual Report) must include an explanation of the Board's proposed action in response to the "no vote" or an explanation of why no action has been taken; and
- (d) if the Company's subsequent (i.e. 2019) Remuneration Report also receives a "no vote" at the 2019 Annual General Meeting of at least 25% of the votes cast, then Shareholders at the 2019 Annual General Meeting will be asked (at that 2019 Annual General Meeting) to vote on whether or not the Company is to hold another general Shareholder's meeting (within the following 90 days) to vote on a "spill resolution" under section 250V of the Corporations Act.

2.2 Board Recommendation

As set out in the Notice of Meeting, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from casting a vote on Resolution 1.

Accordingly, the Board abstains from making a recommendation in relation to Resolution 1. The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

2.3 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast on Resolution 1 by or on behalf of

- (a) a member of the Key Management Personnel (KMP) or*
- (b) a closely related party of a member of the KMP (which includes a spouse, dependent and certain other close family members and companies controlled by the KMP) of those persons.*

However, the Company will not disregard a vote if it is cast by the member of the Key Management Personnel, not cast on behalf of any member of the Key Management Personnel, and either:

- (c) the proxy appointing the member of the KMP specifies the way the proxy is to vote on the resolution; or*
- (d) the Chairman is appointed proxy, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.*

3. Resolution 2: Election of Georgia Sotiropoulos

3.1 Background

Clause 13.1(d) of the Company's Constitution provides that a director appointed under clause 13.1(c) to fill a casual vacancy or as an addition to the Board may only hold office until the next annual general meeting and, if eligible, may offer themselves for election at that meeting.

Ms Sotiropoulos brings over 10 years of extensive senior retail executive leadership experience to Wattle Health. This includes successfully leading and developing large teams of people, developing and executing business strategies, brand management and international sourcing and product development. Georgia is highly regarded for her ethical, energetic and collaborative style, which has enabled her to build trust and respect among internal and external stakeholders and achieve strategic objectives and desired financial outcomes. Georgia's strengths compliment and align with the Company's strategic, operational and financial objectives positioning the business to significantly benefit from her expertise.

Ms Sotiropoulos was appointed an Executive Director of the Company on 12 July 2018. Ms Sotiropoulos, being eligible, offers herself for election.

3.2 Board Recommendation

The Directors (other than Ms Sotiropoulos) recommend that Shareholders vote in favour of this Resolution 2.

4. Resolution 3: Approval of increased placement capacity

4.1 Placement capacity

ASX Listing Rule 7.1A enables eligible entities, after obtaining shareholder approval at an annual general meeting, to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. This Resolution 3 seeks approval to allow the Board the flexibility to issue additional Shares if it so decided. The Board may decide not to issue any Shares pursuant to this Resolution 3.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

4.2 Description of Listing Rule 7.1A

Any equity securities issued under the 10% Placement Facility (**Placement Securities**) must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue one class of equity securities, being ordinary shares (**Shares**).

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the following formula:

$$\text{Additional Capacity} = (A \times D) - E$$

where:

A is the number of shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;

less the number of fully paid 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 the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

The issue price of Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

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

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX

(10% Placement Period).

The effect of Resolution 3 will be to allow the Directors to issue the Placement Securities under Listing Rule 7.1A during the 10% Placement Period without using any of the Company's 15% placement capacity under Listing Rule 7.1.

4.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) Minimum issue price

If any Placement Securities are issued, the minimum price the Placement Securities will be issued at is the price determined in accordance with the ASX Listing Rule 7.1A.3.

The actual number of Placement Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(b) Effect on existing (non-participating) Shareholders

If Resolution 3 is approved by Shareholders and the Company issues Placement Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the Placement Securities than on the date of the Annual General Meeting; and
- (ii) the Placement Securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date or the Placement Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Placement Securities.

The below table is included for illustrative purposes and shows the potential dilution of existing Shareholders on the basis of the current market price of the Shares as at 1 October 2018 and the current number of Shares for variable "A" (above) calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

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

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Placement Securities available under the 10% Placement Facility.
- (ii) 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%.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (iv) The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue of Placement Securities under the 10% Placement Facility consists only of Shares.
- (vi) The issue price is \$1.09, being the closing price of the Shares on ASX on 1 October 2018.

Variable 'A' in Listing Rule 7.1A.2		\$0.545 50% decrease in Issue Price	\$1.09 Issue Price	\$1.635 50% increase in Issue Price
Current Variable A 194,503,140 Shares	10% Voting Dilution	19,450,314 Shares	19,450,314 Shares	19,450,314 Shares
	Funds raised	\$10,600,421	\$21,200,842	\$31,801,263
50 % increase in current Variable A 291,754,710 Shares	10% Voting Dilution	29,175,471 Shares	29,175,471 Shares	29,175,471 Shares
	Funds raised	\$15,900,631	\$31,801,263	\$47,701,895
100% increase in current Variable A 389,006,280 Shares	10% Voting Dilution	38,900,628 Shares	38,900,628 Shares	38,900,628 Shares
	Funds raised	\$21,200,842	\$42,401,684	\$63,602,526

(c) Date by which Placement Securities may be issued

The Company will only issue and allot the Placement Shares during the 10% Placement Period, that is, at any time up to 28 November 2019. An approval given under Resolution 3 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) Purposes for which Placement Securities may be issued

The Company may seek to issue the Placement Securities as non-cash consideration or cash consideration for the acquisition of new assets and or other investments, or as cash for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Placement Securities.

(e) Company's share allocation policy

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) Issues during the previous 12 months

The Company has issued a total of 56,506,712 equity securities and 4,687,500 options during the 12 months prior to the date of this Meeting (**Prior Date**) (representing 44.34% of the number of issued share in the Company as at that Prior Date). Further details of these issues are contained in Schedule 1 to this Notice.

4.4 Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 3.

4.5 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 3 by or on behalf of any person who is expected to participate, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), or any associate of that person. However, the Company need not disregard a vote on Resolution 3 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

5. Resolution 4: Ratification of prior issue – Options

On 18 June 2018, the Company issued to Prospere Advisor Limited (**Prospere**) 4,687,500 options to purchase shares in the Company at an exercise price of \$1.60 per share. The terms of the options (which were referred to as '*loan facility fee options*') are described in the Prospectus. The options were issued as part of the establishment fee charged to the Company for the \$20 million 3-year loan facility granted by Prospere with respect to the CBDG Joint Venture. The fair value of the options as at the Grant Date was determined to be \$0.533 per Option.

Under Listing Rule 7.1, a company may issue up to 15% of its ordinary share capital in any 12-month rolling period without shareholder approval. Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior share issue, and thereby refresh its ability in the future to issue further shares (equivalent in number to the share issue being ratified by this resolution) without obtaining prior shareholder approval.

The issue of the options was within the 15% limitation imposed by ASX Listing Rule 7.1, however the Company is now seeking shareholder ratification and approval for the issue of these Placement Shares.

5.1 Regulatory Requirements

ASX Listing Rule 7.5 requires that the meeting documents concerning a proposed resolution to ratify an issue of securities in accordance with ASX Listing Rule 7.4 must include the following information:

(a) The number of options the entity issued

A total of 4,687,500 Options (to purchase fully paid ordinary shares.

(b) The issue price of the options

The fair value as at the Grant Date was determined to be \$0.533 per Option. If all the options are exercised, the Company will receive \$7,500,000.

(c) The terms of the options

The Options have an exercise price of \$1.60 per share and expire after 24 months of the Grant Date.

(d) The names of the allottees (or the basis on which the allottees were determined)

Prospere Advisor Limited.

(e) The intended use of the funds raised

The options were granted as part of an initial facility fee in respect of the Prospere loan (as detailed in the Prospectus).

(f) Effect of passing of Resolution 4

Resolution 4, if passed, will enable the Company to retain the flexibility to issue the same number of equity securities (as the securities the subject of

this resolution) within the next 12 months without the requirement to obtain prior shareholder approval for that number of equity securities.

5.2 Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution 4.

5.3 Voting Exclusion statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 4 by or on behalf of Prospere Advisor Limited, or any associate of that entity. However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

6. Resolution 5: Ratification of prior issue – Placement

On 18 June 2018 the Company announced a placement of 16,000,000 fully paid ordinary shares to institutional investors at \$1.25 per share which raised approximately \$20 million.

6.1 Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue further equity securities (up to the same number of securities the subject of this resolution) in the future (subject to the 15% annual placement capacity restriction set out in ASX Listing Rule 7.1) without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification:

- ***The number of securities the entity issued***

16,000,000 shares were issued.

- ***The issue price of the securities:***

Placement shares were issued for cash consideration of \$1.25 per share, as announced on 18 June 2018.

- ***The terms of the securities***

The placement shares were fully paid ordinary shares having the same terms, and ranking equally with, all the Company's existing listed ordinary shares.

- ***The names of the allottee (or the basis on which the allottee was determined)***

The placement shares were issued to institutional investors introduced to the Company by Ord Minnett Limited and JB Advisory Pty Ltd.

- ***The intended use of the funds raised***

The funds were raised for the Company to meet its funding obligations as part of the CBDG Joint Venture.

6.3 Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

6.4 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 5 by or on behalf of any person who participated in the Placement or an Associate of those people.

However, the Company need not disregard a vote on Resolution 5 if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6: Ratification of prior issue – ordinary shares

On 6 February 2018, the Company announced an agreement to issue \$400,000 worth fully paid ordinary shares (being 320,000 shares) pursuant to the terms of its acquisition of 80% of the issued shares in Little Innoscents Pty Ltd. The new shares were issued to the vendor Ms Antonette Golikidis on 18 June 2018.

7.1 Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue further equity securities (up to the same number of securities the subject of this resolution) in the future (subject to the 15% annual placement capacity restriction set out in ASX Listing Rule 7.1) without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification:

(a) *The number of securities the entity issued*

320,000 shares were issued.

(b) *The issue price of the securities:*

Shares were issued for cash consideration of \$1.25 per share.

(c) *The terms of the securities*

The shares were fully paid ordinary shares having the same terms, and ranking equally with, all the Company's existing listed ordinary shares.

(d) *The names of the allottee (or the basis on which the allottee was determined)*

Ms Antonette Golikidis.

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

The funds were raised for the Company as part payment for the acquisition of 80% of Little Innoscents Pty Ltd.

7.3 Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

7.4 Voting Exclusion Statement

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 6 by or on behalf of Ms Antonette Golikidis or any associate of that person.

However, the Company need not disregard a vote on Resolution 6 if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 7: Renewal of proportional takeovers provisions in the Constitution for a further three years

In accordance with the Corporation Act, the Company's Constitution currently contains provisions dealing with proportional takeover bids for WHA shares. The provisions, which are contained under section 11 of the Constitution are designed to assist shareholders by preventing the making of a Proportional Takeover Bid until that Proportional Takeover Bid proposal receives shareholder approval.

8.1 Section 648G of the Corporations Act

Under section 648G of the Corporations Act these provisions must be renewed every three years or they will cease to apply, unless renewed by special resolution of the Company.

If approved by shareholders, the proposed proportional takeover provisions will be renewed on exactly the same terms as the existing provisions and will have effect until the date being 3 years from the date of this Meeting.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

8.2 Effect

A Proportional Takeover Bid is a takeover bid where an offer is made to each shareholder to acquire a proportion of that shareholder's shares.

In the event of a Proportional Takeover Bid being made, pursuant to the Constitution the directors must hold a meeting of the shareholders of the class of shares being bid in order to consider whether or not to approve the bid. A resolution approving the bid must be voted on or by the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution. If no such

resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided that they comply with the Corporations Act and the Company's constitution.

The proportional takeover provisions do not apply to full takeover bids.

8.3 Reasons

If the Proportional Takeover Bid approval provisions are not in the constitution, a Proportional Takeover Bid may enable control of the Company to pass without all shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment for all of the issued shares.

The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

8.4 No knowledge of any acquisition proposals

At the date of this Notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

8.5 Potential advantages and disadvantages

The Directors of the Company consider that the proposed renewal of the Proportional Takeover Bid provisions has no potential advantages or disadvantages for Directors because they remain free to make a recommendation on whether a Proportional Takeover Bid should be approved.

The Potential advantages of the proposed Proportional Takeover Bid provisions for shareholders of the Company are:

- (a) shareholders have their say in determining, by majority vote, whether a proportional takeover bid should proceed;
- (b) it may assist shareholders in avoiding being locked into a minority interest;
- (c) shareholders' bargaining power may be increased and it may assist in ensuring that any proportional bid is adequately priced; and
- (d) knowing the view of the majority shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some potential disadvantages of the proposed Proportional Takeover Bid provisions for shareholders are:

- (e) they are a hurdle to, and may discourage the making of, a proportional takeover bid in respect of the Company;
- (f) this hurdle may negatively impact the share price or may deny shareholders an opportunity to seek to sell their shares at a premium; and
- (g) it may reduce the likelihood of a proportional takeover being successful.

Despite this, the Directors of the Company do not perceive those or any other possible disadvantages as justification for not approving the Proportional Takeover Bid provisions for a further three years and consider that the potential advantages of Resolution 7 for shareholders outweigh these possible disadvantages.

8.6 Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

9. Resolution 8: Approval of the issue of shares to One Collective Consultant Pty Ltd

One Collective Consulting Pty Ltd provided strategic marketing services to Wattle Health Australia to assist the Company in executing its marketing objectives pursuant to a consultancy agreement dated 30 November 2016 (**Consultancy Agreement**). Since the ASX listing of the Company, One Collective Consulting Pty Ltd has continued to provide strategic consultancy services and the proposed issue of shares is in consideration of those services provided since the ASX listing.

9.1 Regulatory requirements

ASX Listing Rule 7.1 sets out the regulatory requirements that must be satisfied in relation to the issue of securities under Resolution 9. ASX Listing Rule 7.1 prohibits the Company issuing shares in excess of 15% of the existing share capital in a 12 consecutive month period without prior shareholder approval.

In order to comply with the Consultancy Agreement, the Company intends to issue to One Collective Consulting Pty Ltd 35,000 shares credited as fully paid at an issue price of A\$1.10 per share, which the Company will receive if shareholders approve this Resolution 8.

ASX Listing Rule 7.3 requires that a notice of meeting pursuant to which Shareholders are requested to consider approving an issue of shares pursuant to ASX Listing Rule 7.1 must include certain specified information in relation to the securities to be issued, as follows.

This information is set out below:

(a) *maximum number of securities to be issued:*

35,000 Shares (credited as fully paid).

(b) *date which the securities are to be issued*

Within 3 months after the date of shareholder approval.

(c) *issue price of the securities:*

\$1.10 per Share.

(d) *names of the allottee/s (if known):*

One Collective Consulting Pty Ltd.

(e) *terms of the securities:*

Fully paid ordinary shares in the capital of the Company.

(f) *the intended use of the funds raised:*

There will be no funds raised by the issue of these shares to the Consultants.

9.2 Reason for the subscription and Board recommendation

The Company's board believes that an issue of shares to One Collective Consulting Pty Ltd on the terms described in these Explanatory Notes is of significant benefit to the Company. The price of \$1.10 is equivalent to a 3% discount to the 30 day volume weighted average price of the Company's shares as at the date of this Notice.

The Board unanimously recommends that shareholders vote in favour of Resolution 8.

9.3 Voting Exclusion Statement – Resolution 8

Voting exclusion:

The Company will disregard any votes cast in favour of the proposed Resolution 8 by or on behalf of One Collective Consulting Pty Ltd, or any associate of that entity. However, the Company need not disregard a vote on Resolution 8 if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

(b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in this Notice of Meeting.

The Directors recommend members read this Explanatory Memorandum in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

Annexure A – Glossary

Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

Annual General Meeting / AGM means the annual general meeting of the Company to be held at 10am on 29 November 2018 pursuant to the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or Listing Rules means the Listing Rules of the ASX as amended from time to time.

Board means the board of Directors of the Company.

CBDG Joint Venture means the Corio Bay Dairy Group Joint Venture entered into between Organic Dairy Farmers of Australia, Niche Dairy Pty Ltd and the Company to design, construct and operate a dedicated Organic Spray Drying Facility in Australia, as announced to the market on 10 April 2018.

Company means **Wattle Health Australia Limited** ACN 150 759 363.

Corporations Act or Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to this Notice.

Key Management Personnel or KMP means the key personnel as disclosed in the Remuneration Report, being Lazarus Karasavvidis, Georgina Sotiropoulos, Eric Jiang and former Director, Peter Biantes.

Little Innoscents Acquisition means the Company's acquisition of 80% of Little Innoscents, an organic baby skin care company, as announced to the market on 6 February 2018.

Meeting means the annual general meeting subject to this Notice.

Notice of Meeting or Notice means this notice of Annual General Meeting.

Proportional Takeover Bid means an off-market bid for a specified proportion of the securities in the bid class, as defined under Section 9 of the *Corporations Act 2001* (Cth).

Prospectus means the prospectus dated 18 June 2018 issued by the Company.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2018 as set out in the Company's Annual Report for the year ended 30 June 2018.

Resolution means the resolutions referred to in the Notice of Meeting.

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

Shareholder means a holder of a Share.

Schedule 1- Details of Shares issued in the previous 12 months

Date	Quantity and Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration	Extent of use of the funds and intentions for any funds remaining
21/11/17	6,000,000 FPO	Directors	\$2.15 (market value)	ESP under a loan	N/A
20/12/17	7,437,500 FPO	Management	\$2.15 (45% premium to market)	ESP under a loan	N/A
18/06/18	26,749,212 FPO	Rights Issue-Shareholder	\$1.25 (3% discount to market)	Cash	Funding obligation for CBDG
18/06/18	16,000,000	Placement to Sophisticated Investors	\$1.25 (3% discount to market)	Cash	Funding obligation for CBDG
18/06/18	320,000	Little Innoscents	\$1.25 (3% discount to market)	N/A	Acquisition of Little Innoscents

WHA

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 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

 For your vote to be effective it must be received by 10.00am (Melbourne time) on Tuesday, 27 November 2018

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

IND

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 Wattle Health 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 Wattle Health Australia Limited to be held at the offices of K&L Gates, Level 25, South Tower, 525 Collins Street, Melbourne, Victoria on 29 November 2018 at 10.00am (Melbourne 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 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.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Georgia Sotiropoulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of increased placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue – Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue – ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Renewal of the proportional takeovers provisions in the Constitution for a further three years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of the issue of shares to One Collective Consultants Pty Ltd	<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