



# AdAlta

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ADALTA LIMITED  
ACN 120 332 925

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

Tuesday 26 November 2019

**Time of Meeting**

4pm (AEDT)

**Place of Meeting**

K & L Gates  
Level 25, Rialto South Tower,  
525 Collins Street, Melbourne, 3000

ADALTA LIMITED  
ACN 120 332 925

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of AdAlta Limited (**Company**) will be held at 4pm (AEDT) on Tuesday, 26 November 2019 at Level 25, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000 (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 24 November 2019 at 7pm (AEDT).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## AGENDA

### 1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

### 2. Resolution 1 - Adoption of Remuneration Report

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

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual report for the financial year ended 30 June 2019."*

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

### Voting Exclusion - Resolution 1

In accordance with section 250R of the Corporations Act, a vote must not be cast (in any capacity) on this Resolution by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member (collectively, a **KMP**). However, a KMP may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a KMP and either:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or
- (b) the person is the Chair of the meeting and the appointment as proxy (i) does not specify the way the proxy is to vote on the Resolution, and (ii) which expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### 3. Resolution 2 - Election of Director – Rosalind Wilson

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

*"That, Dr Rosalind Wilson, who was appointed by the Board as a Director on 1 August 2019, in accordance with Listing Rule 14.4 and clause 16.6 of the Constitution being eligible is elected as a Director of the Company."*

### 4. Resolution 3 - Re-election of Director – Robert Peach

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

*"That, for the purpose of Listing Rule 14.4 and clause 16.4 of the Constitution and for all other purposes, Dr Robert Peach, a Director, retires and being eligible, is re-elected as a Director."*

### 5. Resolution 4 – Approval of 10% placement capacity

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling 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 set out in the Explanatory Memorandum."*

#### Voting Exclusion: - Resolution 4

The Company will disregard any votes cast in favour on this Resolution 4 by any person, or an associate of a person, who is expected to participate in, or who will obtain a material benefit as a result of, an issue of Equity Securities under this Resolution 4 (except a benefit solely by reason of being a holder of ordinary securities), if Resolution 4 is passed.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 – Approval of proposed issue of Options to Tim Oldham

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

*"That for the purposes of ASX Listing Rule 10.11, Section 200B of the Corporations Act 2001 (Cth) and for all other purposes approval is granted for the issue to Dr Tim Oldham 4,929,060 Options to purchase shares in the capital of the Company credited as fully paid at an exercise price of \$0.25 per Option and otherwise on the terms as described in the Explanatory Memorandum which accompany this Notice of Meeting."*

### **Voting Exclusion: - Resolution 5**

The Company will disregard any votes cast in favour on this Resolution 5 by or on behalf of Dr Oldham (or any of his associates).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

### **Voting Prohibition Statement: - Resolution 5**

A vote must not be cast (as a proxy) on this Resolution by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member (collectively, a **KMP**). However, a KMP may cast a vote on this Resolution 5 as a proxy if the vote is not cast on behalf of a KMP and either:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or
- (b) the person is the Chair of the meeting and the appointment as proxy (i) does not specify the way the proxy is to vote on the Resolution, and (ii) which expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **7. Resolution 6 – Approval of Omnibus Equity Plan**

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

*"That the shareholders approve the Company's Omnibus Equity Plan (OEP) for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 9(b), sections 200B, 200E and 259B(2) of the Corporations Act 2001, and for all other purposes, and the Board be authorised to issue securities to Eligible Participants in accordance with the OEP."*

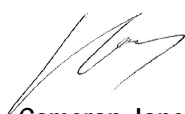
### **Voting Exclusion: - Resolution 6**

The Company will disregard any votes cast in favour on this Resolution 6 by or on behalf of a director of the Company (or any of his associates) (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Dated 22 October 2019

**BY ORDER OF THE BOARD**



Cameron Jones  
Company Secretary

## ADALTA LIMITED

ACN 120 332 925

### EXPLANATORY MEMORANDUM

#### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 25, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000, on Tuesday, 26 November 2019 at 4pm (AEDT).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

#### 2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

##### *Proxies*

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person (in which case their proxy will be disregarded).

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at meetings in accordance with section 250D of the Corporations Act and provide satisfactory evidence of the appointment of its corporate representative to the Company prior to the Meeting.

To be valid, completed Proxy Forms or electronic voting instructions must be received by 3.00pm on Monday, 11 November 2019 (AEDT).

##### *Proxy vote if appointment specifies way to vote*

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - i) the proxy is not recorded as attending the meeting; or
  - ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### ***Authorised representative of corporate shareholders***

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act to be provided prior to the Meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **3. Annual Report**

There is no requirement for Shareholders to approve the Annual Report. Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at [www.adalta.com.au](http://www.adalta.com.au);
- (c) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies 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.

Written questions may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office or via email at [cameron.jones@bio101.com](mailto:cameron.jones@bio101.com).

#### **4. Resolution 1 - Remuneration Report**

Section 250R(2) of the Corporations Act provides that the Company is required to put the adoption of the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that a vote on the adoption of the Remuneration Report (i.e. Resolution 1) is advisory only and does not bind the Directors or the Company.

While the vote on this Resolution 1 is advisory only, the outcome of the vote will be considered for the purposes of the "two strikes rule", where if a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders a "board spill resolution" at the second of those annual general meetings. If the board spill resolution is passed at the second of those annual general meetings, the Company is required to hold a further meeting of the Shareholders within 90 days at which all Directors (other than the managing director) who were in office at the date of approval of the Directors' Report (voted upon at the second of those annual general meetings) must stand for re-election.

No strike was recorded at the Company's 2018 annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards the two strikes in the future, no board spill can occur this year.

The Chairman will allow a reasonable opportunity for Shareholders to ask about, or make comments on the Remuneration Report.

#### *Recommendation*

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's stated intention, even though the resolution is connected with the remuneration of a member of the Key Management Personnel.

#### **5. Resolution 2 – Election of Director – Dr Rosalind Wilson**

Dr Rosalind Wilson was appointed by the Directors on 1 August 2019. Pursuant to Listing Rule 14.4 and clause 16.6 of the Constitution, a Director appointed by the Board as an additional director or to fill a casual vacancy holds office until the end of the next annual general meeting of the Company, at which time that Director is eligible and stand for election. Dr Rosalind Wilson, having been appointed as an additional director on 1 August 2019, is eligible and seeks approval for election as a Director under this Resolution 2.

Dr Rosalind Wilson's qualifications and experience are set out in the Annual Report. The Company's Board Skills Matrix can be found at <http://adalta.com.au/investors/corporate-governance/>.

### *Recommendation*

The Directors (with Dr Wilson abstaining) recommend that the Shareholders vote in favour of Resolution 2.

The Chair intends to vote all undirected proxies in favour of Resolution 2.

## **6. Resolution 3 - Re-election of Director – Dr Robert Peach**

Listing Rule 14.4 and clause 16.4 of the Constitution require that a Director (excluding the managing Director) must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer.

At each annual general meeting one-third of the Directors (except for the managing Director) or, if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation. A Director appointed by the Board as an additional director or to fill a casual vacancy but will not be taken into account in determining the number of Directors who must retire by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot.

A Director who retires under clause 16.4 of the Constitution is eligible for re-election.

Dr Robert Peach, a director since 14 November 2016 and last re-elected on 14 November 2017, retires and seeks re-election. Dr Robert Peach's qualifications and experience are set out in the Annual Report. The Company's Board Skills Matrix can be found at <http://adalta.com.au/investors/corporate-governance/>.

### *Recommendation*

The Directors (with Dr Peach abstaining) recommend that the Shareholders vote in favour of Resolution 3.

The Chair intends to vote all undirected proxies in favour of Resolution 3.

## **7. Resolution 4 – Approval of 10% placement capacity**

### **7.1 General**

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (10% Placement Capacity).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 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 Resolution 4 for it to be passed.



## 7.2 Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those available to be issued under the Eligible Entity's 15% annual placement capacity.

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

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

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and at the date of this Notice has a current market capitalisation of approximately \$21m based on a share price of \$0.13 as at 18 October 2019.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities, being Shares (ASX Code: 1AD).

The exact number of Equity Securities that the Company 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:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) 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. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**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 Shareholders under Listing Rule 7.1 or 7.4.

### 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 4:

#### a) 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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX Trading Days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.

#### **b) Date of Issue**

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

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

or such longer period if allowed by ASX (**10% Placement Capacity Period**).

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or of it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of this Meeting.

#### **c) Risk of voting dilution**

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

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

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

The table also shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company will have on issue at the date of the Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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 of where the issue price of ordinary securities has altered, one by a decrease by 50% and the other by an increase by 50% as against the current market price. 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 10% Placement Capacity

Variable 'A' in Listing Rule 7.1A.2		50% decrease in Issue Price	Issue Price	50% increase in Issue Price
		\$0.065	\$0.13	\$0.195
<b>Current Variable A</b>  164,302,007	<b>10% Voting Dilution</b>	16,430,201	16,430,201	16,430,201
		Shares	Shares	Shares
	<b>Funds raised</b>	\$1,067,963	\$2,135,926	\$3,203,889
<b>50 % increase in current Variable A</b>  246,453,011	10% Voting Dilution	24,645,301	24,645,301	24,645,301
		Shares	Shares	Shares
	<b>Funds raised</b>	\$1,601,945	\$3,203,889	\$4,805,834
<b>100% increase in current Variable A</b>  328,604,014	10% Voting Dilution	32,860,401	32,860,401	32,860,401
		Shares	Shares	Shares
	<b>Funds raised</b>	\$2,135,926	\$4,271,852	\$6,407,778

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 18 October 2019.
2. The issue price set out above of \$0.13 is the closing price of the Shares on the ASX on 18 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. No Options are exercised into Shares before the date of the issue of the Equity Securities;
5. 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%.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to by reason of placements under the 10% Placement Capacity. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to issues approved under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- i) the market price for the Company's Equity Securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- ii) 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 or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) for cash consideration, in which case the Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with further development of the Company's existing assets and discovery of new assets), pursuing other acquisitions that have a strategic fit or will otherwise add value to shareholders (including expenses associated with such acquisitions) and general working capital; or
- (ii) as non-cash consideration for acquisition of new assets, technology and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

**e) Allocation under the 10% Placement Capacity**

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

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

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined but may include current Shareholders or new investors (or both), none of whom will be related parties or associates of a related party of the Company.

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

**f) Previous Approval under Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 28 November 2018.

In the 12 months preceding the date of this Notice the Company issued a total of 71,764,272 Equity Securities, which represents approximately 59.40% of the total number of Equity Securities on issue at 28 November 2018 (120,816,545). The Equity Securities issued in those 12 months were as follows:

Date of Issue	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price on the trading day prior to the issue	<p>If issued for cash – the total consideration, what is was spent on and the intended use of any remaining funds</p> <p>If issued for non-cash consideration – a description of the consideration and the current value of the consideration.</p>
28/11/2018	522,450	Ordinary shares issued to Directors for July 2018 Placement. Shares approved at AGM.	Directors	<p>\$0.30</p> <p>Premium: 20% to closing price of 25c on 27 November 2018</p>	\$156,735.00
28/11/2018	375,000	Unlisted options exercisable at 25 cents per share and expiring 1 November 2022 pursuant to ESOP.	Director	Nil	<p>Non-cash consideration:</p> <p>Current value: \$41,785</p>
21/01/2019	200,000	Unlisted options exercisable at 31 cents per share and expiring 30 September 2022 pursuant to ESOP.	Employee eligible to participate in ESOP	Nil	<p>Non-cash consideration:</p> <p>Current value: \$16,372</p>
29/04/2019	620,535	Unlisted options exercisable at 24 cents per share and expiring 27 February 2022 pursuant to ESOP.	Employees eligible to participate in ESOP	Nil	<p>Non-cash consideration:</p> <p>Current value: \$31,883</p>
29/05/2019	19,600,753	Ordinary shares issued under Placement to institutional and sophisticated investors.	Institutional and sophisticated investors placed by Aurenda Partners and Bell Potter.	<p>\$0.15</p> <p>Discount: 28.6% to closing price of 21c on 28 May 2019</p>	\$2,940,112.95

05/06/2019	9,800,376	Options, exercisable at \$0.25 expiring on 30 June 2021	Institutional and sophisticated investors placed by Aurenda Partners and Bell Potter.	Nil	Non-cash consideration: Current value: \$282,328
17/06/2019	2,434,510	Options, exercisable at \$0.25 expiring on 30 June 2021	Options issued pursuant to the Company's entitlement issue. (Prospectus dated 23 May 2019)	Nil	Non-cash consideration: Current value: \$70,133
17/06/2019	4,868,898	Fully Paid Ordinary Shares issued pursuant to the Company's Prospectus dated 23 May 2019.	Ordinary shares issued pursuant to the entitlement issue. (Prospectus dated 23 May 2019)	\$0.15 Premium: 3.4% to closing price of 14.5c on 14 June 2019	\$730,334.70
18/06/2019	8,495,252	Fully Paid Ordinary Shares issued pursuant to the Company's Prospectus dated 23 May 2019 – shortfall securities	Shortfall securities were placed to Institutional and sophisticated investors by Aurenda Partners and Bell Potter.	\$0.15 Premium: 7.1% to closing price of 14c on 17 June 2019	\$1,274,287.80
18/06/2019	4,247,627	Options, exercisable at \$0.25 expiring on 30 June 2021	Shortfall securities were placed to Institutional and sophisticated investors by Aurenda Partners and Bell Potter.	Nil	Non-cash consideration: Current value: \$122,365
03/07/2019	13,732,581	Fully Paid Ordinary Shares issued pursuant to shareholder approval at the general meeting held on 27 June 2019	Included Directors Robert Peach, James Williams, Paul MacLeman and Liddy McCall along with Institutional and sophisticated investors placed by Aurenda Partners and Bell Potter.	\$0.15 Premium: 3.4% to closing price of 14.5c on 2 July 2019	\$2,059,887.15

03/07/2019	6,866,290	Options, exercisable at \$0.25 expiring on 30 June 2021	Included Directors Robert Peach, James Williams, Paul MacLeman and Liddy McCall along with Institutional and sophisticated investors placed by Aurenda Partners and Bell Potter.	Nil	Non-cash consideration: Current value: <b>\$186,521.24</b>
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Notes:

1. The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option.
2. The Company's cash balance on 14 November 2018 was approximately \$6.2million. Cash raised from issues in the previous 12 months totals approximately \$4.6million. The Company's cash balance as at the date of this Notice is approximately \$6.3 million. Funds expended during the 12 months have been on further developing the Company's assets and general working capital. The remaining funds are intended to be used by the Company for manufacturing and pre-clinical studies of AD-214 as well as internal research and development of new i-bodies and corporate costs.

### Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company 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 Resolution 4.

### Recommendation

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 4.

The Chair intends to vote all undirected proxies in favour of Resolution 4.

### Resolution 5 – Approval of proposed issue Options to Tim Oldham

#### Background

As announced on 9 October 2019, the Board has agreed as part of his employment package, subject to shareholder approval, to issue to Tim Oldham 4,929,060 options to purchase Shares (**Options**), each Option having an exercise price of \$0.25 (**Exercise Price**), vesting in tranches over a 3 year period and an expiry of 6 years (**Expiry Date**).

The Terms and Condition of the Options (including a possible bringing forward of the Expiry Date or acceleration of the vesting dates) are summarised in Schedule 2 to this Notice (**Option Terms**).

The Board of Directors through the Remuneration Committee conducted an assessment of Dr Oldham's proposed remuneration package before offering to appoint him to the positions of Chief Executive Officer and Managing Director of the Company, based on a comparison to the comparable companies in the market and the objective of

providing appropriate long-term incentive mechanisms for the future and concluded that the option terms are on arm's length commercial terms.

To provide Shareholders with some guidance as to the likely market value of the Options, the Company has calculated that the financial value of the Options in accordance with a Black-Scholes model valuation methodology is an aggregate of \$439,098. Details of the valuation methodology (including assumptions and qualifications) are set out in Schedule 4.

### ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A "related party" (as defined in the ASX Listing Rules) includes the directors of the listed company. If shareholder approval is received pursuant to this resolution, approval is not required under Listing Rule 7.1.

ASX Listing Rule 10.13 requires that the notice in relation to a proposed resolution to approve an issue of securities to a related party, include the following information:

- (a) The name of the person to whom the securities will be issued

*Dr Tim Oldham.*

- (b) The maximum number of securities to be issued to the person

*4,929,060 options will be issued subject to vesting conditions described above. After vesting, each Option, on exercise and payment in full of the exercise price for each Option, would result in one Share in the Company being issued, credited as fully paid.*

- (c) The date by which the entity will issue the securities

*No later than 1 month after the date of this Annual General Meeting.*

- (d) The issue price of the securities and a statement of the terms of the issue

*The Options will be issued at no additional cost to Dr Oldham, although they do form part of his remuneration package for being employed as Chief Executive Officer and Managing Director of the Company. After vesting, and where exercised, Dr Oldham would be required to pay in full the applicable exercise price for each Option which is exercised.*

- (e) The intended use of the funds raised

*There will be no funds raised from the issue of the Options. Upon exercise of the options the use of funds the Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with further development of the Company's existing assets and discovery of new assets), pursuing other acquisitions that have a strategic fit or will otherwise add value to shareholders (including expenses associated with such acquisitions) and general working capital.*

### Corporations Act

The Company has not sought shareholder approval under Chapter 2E of the Corporations Act for a 'related party' transaction as the Board believes that the proposed Options are part of a remuneration package that is on arm's length commercial terms applicable to a chief executive officer and managing director of a company such as the Company.



Section 200B of the Corporations Act requires Shareholder approval in accordance with the provisions of section 200E of the Corporations Act, in order to be able to give a person a benefit in connection with that person's retirement from an office or position of employment (where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company) (**Employment Retirement Benefit**).

The Option Terms allow the Board, in its discretion and subject to the Listing Rules, to accelerate the vesting dates of the Options, which could constitute a benefit otherwise prohibited under Section 200B. Accordingly shareholder approval for the purposes of sections 200B and 200E of the Corporations Act is being sought.

Shareholders should note the benefit is restricted to an acceleration of the vesting date of an Option, it does not change the number of shares which are subject to the Options. In those circumstances the value would reflect (i) market price at the time of acceleration; and (ii) the number of Options which have not vested and are the subject of the decision by the Board to exercise its discretion to allow for early vesting. The Board would make any such decisions regarding its discretion in good faith and in the best interests generally of shareholders.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

#### Value of termination benefits

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give under the Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

#### Further Voting restrictions

Insofar as Resolution 5 could relate to the provision of a Employment Retirement Benefit, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 5 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

- (i) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (ii) it is not cast on behalf of the retiree or an associate of that person.

As at the date of this Notice, the only person the Board can identify to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company is Dr Oldham. As such, Dr Oldham (and no other existing Shareholders) shall be excluded from voting on Resolution 5.

#### *Recommendation*

The Directors (Dr Oldham abstaining) recommend that the Shareholders vote in favour of Resolution 5.

The Chair intends to vote all undirected proxies in favour of Resolution 5.

## **Resolution 6 – Approval of Omnibus Equity Plan**

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

*"That the shareholders approve the Company's Omnibus Equity Plan (OEP or Plan) for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 9(b), sections 200B, 200E and 259B(2) of the Corporations Act 2001, and for all other purposes, and the Board be authorised to issue securities to Eligible Participants in accordance with the OEP."*

The Company has previously adopted an executive share plan (**ESP**) to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company. The Board has now also adopted an Omnibus Equity Plan (**OEP or Plan**) to secure discretion to make awards of options, rights, performance rights, performance shares and shares. Under the OEP the Board also has discretion to determine vesting conditions including service conditions or other performance hurdles, exercise prices, minimum holding periods, forfeiture conditions or events and other conditions of awards, and discretion to vary or waive these terms and conditions (subject to Corporations Act limitations on shareholder approval for awards to Directors). The Board seeks Shareholder approval of the Plan pursuant to this Resolution 6.

People who are eligible to participate in the Plan (at the absolute discretion of the Board) comprise (i) a permanent full time or part time Employee (ii) a casual Employee or contractor who works a pro-rata equivalent of 40% or more of a comparable full time position, and a Non-Executive Director (each a **Eligible Participant**).

The Board remains committed to incentivising and retaining the Company's directors and other personnel in a manner which promotes alignment of their interests with shareholder interests, whilst at the same time offering eligible participants market-competitive remuneration arrangements.

At the same time, the Company desires to maintain maximum ability to raise capital in accordance with ASX Listing Rule 7.1 without seeking prior shareholder approval. Accordingly, the Board seeks shareholder approval of the Plan for the purposes of ASX Listing Rule 7.2 Exception 9.

The aggregate number of Shares which may be issued pursuant to the Plan, (when aggregated with all Shares issued under all other employee incentive plans), shall not at any time exceed 5% of the total number of issued Shares.

A summary of the Omnibus Equity Plan is set out in Schedule 3 to this Notice.

The Directors abstain from making a recommendation on Resolution 6 as they are eligible to participate in the Omnibus Equity Plan (subject also to shareholder approval in relation to each Award) and therefore have a potential personal interest in the matter. Subject to the applicable voting exclusions, the Chairman intends to vote undirected proxies in favour of this resolution.

## **ASX Listing Rules**

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 9 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was summarised in the prospectus issued for the

purposes of listing the Company on the ASX no more than three years before the relevant date of issue of the securities. The OEP is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2 and this Resolution 6 seeks shareholder approval for the Plan to meet the 3 year approval requirement.

The Company intends that any issue of shares under the OEP does not detract from the Company's Listing Rule 7.1 15% entitlement. Accordingly, it is seeking shareholder approval of the Plan in order for the Company to be able to issue shares pursuant to the OEP (**Plan Shares**) and have those shares qualify under exception 9 to Listing Rule 7.2.

### **Information required for Listing Rule 7.2 Exception 9(b)**

Listing Rule 7.2 Exception 9(b) requires the information detailed in sections (a), (b) and (c) below to be provided to members for approval under this resolution:

#### (a) Shares already issued

The Company has not previously issued any securities pursuant to the OEP.

#### (b) Employee Share Plan Summary

From time to time, and in its absolute discretion, the Board may invite Eligible Participants to subscribe for Plan Shares or to Exercise Rights or Options under the Plan and, if the Board considers appropriate, the Board may invite some of those Eligible Participants to apply for a limited recourse loan under the Plan (**Loan**) for all or part of the subscription or exercise price. The key terms of the Plan, are set out in Schedule 3 to this Notice.

#### (c) Voting Exclusion Statement

The applicable voting exclusion statement for the purposes of Listing Rule 7.2 exception 9, under this Resolution 6, appears above.

### **Termination benefits under the Plan**

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of s 200E of the Act, in order to be able to give a person a benefit in connection with that person's retirement from an office or position of employment (where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company) (**Employment Retirement Benefit**).

The Plan allows the Board, in its discretion and subject to the Listing Rules, to vary or amend the terms of the Plan, which variation or amendment may include an amendment to allow an acceleration of vesting of securities issued under the Plan on a retirement, which could constitute a benefit otherwise prohibited under Section 200B. Giving the Board this flexibility to accelerate the vesting dates could be regarded as providing a person an Employment Retirement Benefit, and therefore shareholder approval for the purposes of sections 200B and 200E of the Corporations Act is being sought.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

#### Value of termination benefits

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give

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under the Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

#### Further Voting restrictions

Insofar as Resolution 6 could relate to the provision of a Employment Retirement Benefit, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

- (i) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (ii) it is not cast on behalf of the retiree or an associate of that person.

As at the date of this Notice, the Board has not identified any particular person to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company. As such, no existing Shareholders shall be excluded from voting on Resolution 6.

#### **Loans for, and Security over, Plan Shares**

Section 259B(2) permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained. Accordingly, the Company is seeking shareholder approval under Resolution 6 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances where the Company elects to provide assistance to an Eligible Participant in the acquisition of shares in itself, such as providing a loan for the payment of the purchase price of a security to be issued under the Plan or the exercise of a Right or Option issued under the Plan.

Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself without obtaining prior shareholder approval, including the giving of the assistance which does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors. The Board is of the view that this exemption is applicable, and at the relevant times will be applicable, to any loans that may be granted for the acquisition of securities under the Plan. Accordingly the Company will not be seeking shareholder approval with respect to under Section 260A of the Corporations Act.

#### **Director Recommendation**

As the Directors are excluded from voting upon this resolution pursuant to the ASX Listing Rules, the directors will not make a recommendation to shareholders with respect to vote in relation to this Resolution 6.

## Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2019.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne.

**Chair or Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means has the meaning given in section 9 of the Corporations Act which include the spouses, dependents and certain other close family members of a member of the Key Management Personnel and any company controlled by a member of the Key Management Personnel.

**Company** means AdAlta Ltd (ACN 120 332 925).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Entity** has the same meaning as in the Listing Rules.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Meeting** has the meaning in the introductory paragraph of the Notice:

**Notice** means this notice of meeting.

**Option** means an unlisted option over a Share.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

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

**AEDT** means Australian Eastern Daylight Time, being the time in Melbourne on the dates specified in this Notice.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

**Schedule 2 - Terms and conditions of Options to be issued to Dr Tim Oldham (should Resolution 5 be passed)**

Each Option entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Adalta Ltd ACN 120 332 925 (Company)** on the following terms:

1. Subject to clauses 2, 3, 5, 6 and any restrictions imposed by the Australian Securities Exchange (**ASX**), each Option is exercisable at any time after the date on which the Option is issued (**Issue Date**) and the Option has vested (**Vesting Date**), until and including their Expiry Date (see clause 5 below).
2. The aggregate of 4,929,060 Options will be issued subject to vesting conditions, including that Dr Oldham must have been employed by the Company as chief executive officer of the Company at all times since the Issue Date and issued in tranches as follows:

<b>Vesting Date</b>	<b>Number of Options Vesting</b>
Issue Date	492,906
1st anniversary of Issue Date	1,478,718
2nd anniversary of Issue Date	1,478,718
3rd anniversary of Issue Date	<u>1,478,718</u>
<b>Total</b>	<b><u>4,929,060</u></b>

Note:

- A. The above vesting date shall all be accelerated upon a Change of Control occurring with respect to the Company (as compared to the 'control' position as at Issue Date), with the result that upon the happening of a Change of Control Event all unvested Options shall be regarded as vested. *(For the these purposes, "Change of Control" means, in relation to the Company, the occurrence of an event or circumstance where a person who is not presently able to do any of the following things becomes able to do one of the following things (whether alone or together with any associates and whether directly or indirectly or through one or more intervening persons, companies or trusts):*
    - (i) *control the composition of more than one half of the Company's board of directors;*
    - (ii) *be in a position to cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the members of the Company or its ultimate holding company; or*
    - (iii) *hold or have a beneficial interest in more than one half of the issued share capital of the Company or its ultimate holding company;*
  - B. The Board may, subject to the Listing Rules, otherwise accelerate any of the above Vesting Dates in its absolute discretion.
3. Vested Options may be exercised by the Option Holder at any time after 30 June 2021 and before the Expiry Date by giving written notice in the form set out below (**Notice of Exercise**) to the Company at its registered office prior to the Expiry Date.
  4. The exercise price for each Option (which is payable immediately on exercise) will be \$0.25 per

Option (**Exercise Price**).

5. The expiry date of the Options is 6 years from the Issue Date (**Expiry Date**), subject to the following:
  - (a) The Board and the Option Holder may agree to an earlier expiry of the Options than the period of 6 years from the Issue Date where the Company's ASX traded share price is more than 15 cents as at the close of ASX trading on the Issue Date.
  - (b) All vested Options may be exercised within the period of 60 days of the termination (for any reason) of the Option Holder's employment agreement with the Company dated 8 October 2019 (**Employment Agreement**), provided that termination occurs within 6 years of the Issue Date.
6. All unvested Options lapse on the earlier of:
  - (a) the Expiry Date,
  - (b) the cessation of the Employment Agreement for any reason
7. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 3 Business Days, and if the Shares are listed on the ASX, within the time period prescribed by the Listing Rules of the ASX (**ASX Listing Rules**):
  - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
  - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
  - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
8. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
9. The Options are transferable by an Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules, provided that the Options cannot be transferred or assigned within 12 months after the Issue Date except in accordance with the Corporations Act.
10. In the event of a pro rata issue of Shares by the Company, the Exercise Price for each Option will be adjusted in accordance with Listing Rule 6.22.2 of the ASX Listing Rules (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
11. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
12. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will endeavour that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.
13. If the Shares are listed for quotation on the ASX, the Company will apply to the ASX for, and will use

its best endeavours to obtain, quotation or listing of all Shares allotted on the exercise of any Options within 10 Business Days (as defined in the Listing Rules of the ASX) of allotment.

14. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
15. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
16. The Options do not entitle the Option Holder to vote at any meeting of shareholders.
17. To the extent (if any) that any of these Option Terms And Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms And Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
18. These Terms and Conditions are governed by the laws of the State of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.



### Schedule 3 - Terms and conditions of the Omnibus Equity Plan (OEP or Plan)

<b>Offer:</b>	The Board has discretion to make awards of options, rights, performance rights, performance shares and shares. The Board has further discretion to determine vesting conditions including service conditions or other performance hurdles, exercise prices, minimum holding periods, forfeiture conditions or events and other conditions of awards. The Board has further discretion to vary or waive these terms and conditions (subject to Corporations Act limitations on shareholder approval for awards to Directors).
<b>Eligibility</b>	Participants under the OEP include permanent, full-time, or part-time employees, Non-Executive Directors, casual employees or contractors who work a pro-rata equivalent of 40% or more of a comparable full-time position and are Australian residents for tax purposes.
<b>Shares</b>	The total number of ordinary shares over which rights or securities may be awarded under the OEP is capped at 5% of the issued share capital of the Company. Consistent with ASIC Class Order 14/1000, this cap includes any securities awarded under all the Company's other employee incentive plans within the 3 years before any new award under the OEP, but excludes any rights or securities that have expired or that were issued without the need for disclosure (such as to senior managers of the Company).
<b>Vesting:</b>	Rights and options will vest in accordance with applicable performance hurdles, service conditions and exercise conditions. Where a Participant ceases to be employed by the Company or a related body corporate of the Company as a result of death or serious injury which prohibits continued employment, retirement or retrenchment or such other eligible circumstance as determined by the Board ('Qualifying Event'), the Board may, in its absolute discretion, determine that unvested rights and/or options become Vested.
<b>Change of Control:</b>	Where there is a change in control of the Company, the Board may in its absolute discretion determine that any unvested rights and/or options become vested.
<b>Exercise:</b>	Once options and rights have vested, they are generally able to be exercised prior to the lapsing and forfeiture events. On exercise, the participant must pay the relevant exercise price for those options and/or rights.
<b>Quotation:</b>	Options and Rights will not be quoted on the ASX. The Company will apply for Official Quotation of the shares issued on exercise of options and/or rights, in accordance with the ASX Listing Rules.
<b>Cessation of eligibility:</b>	Where a Participant ceases to be employed by the Company or a related body corporate of the Company, other than as a result of a Qualifying Event, any options, rights and performance rights or shares will be immediately forfeited, whether or not those awards have vested.
<b>Restrictions</b>	Entitlements under the OEP are non-transferrable (subject to certain limited exceptions). Entitlements are also subject to the Company's share trading policies and the Corporations Law as it relates to share trading.
<b>Amendments:</b>	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the OEP.
<b>ASX Listing Rules</b>	To the extent (if any) that any of the OEP Terms And Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms And Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms;
<b>Share Plan Loan</b>	If the Board considers appropriate, the Board may invite some of the Eligible Participants to apply for a limited recourse loan under the Plan ( <b>Loan</b> ), which if granted by the Board, will be

applied as the subscription price for the purchase of Shares to be issued under the Plan or the exercise price of Options or Rights issued under the Plan. The terms of any Laon granted will be determined by the Board from time to time.

#### Schedule 4 - Valuation Methodology

The Options that are the subject of Resolution 5 are not currently quoted on the ASX and as such have no market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price described above. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value.

Various factors impact upon the value of options including things such as:

- The period outstanding before the expiry date of the options;
- The exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- The proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- The value of the shares into which the options may be converted; and
- Whether or not the options are listed (i.e. readily capable of being liquidated) and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology "**Black-Scholes Model**"). The Company performed a valuation of the Options using the Black-Scholes Model, which is the most widely used and recognized model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

- Exercise price of the Options being \$0.25, the closing price of the Shares on the ASX on 14 October 2019, as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue valuation as a proxy for the market price at the future date of issue, being the date of the General Meeting to approve the issue Options vesting on the date of issue;
- Expiry Date of up to 6 years from grant date;
- Volatility measure of 87.25%
- Risk-free interest rate of 1.00%;
- No discount has been applied for their unlisted status; and
- Dividend yield of 0.00%.

Based on the assessed fair value of the Options based on the Black and Scholes option valuation methodology, the Company has adopted an indicative value of \$0.089 per option, being a total value of \$439,098 for the Options proposed to be granted (being 4,929,060 options in total).



# Omnibus Equity Plan Rules

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## AdAlta Limited

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## Plan Rules

### 1. Operation

#### 1.1 Operation of the Plan

These Rules set out the terms and conditions of the operation of the Plan. The Company and the Participants are bound by these Rules.

#### 1.2 Purpose

The purpose of the Plan is to provide competitive, performance-based remuneration supporting the retention, incentive and reward functions of that remuneration.

#### 1.3 Commencement

The Plan commences on a date to be determined by the Board at its absolute discretion.

### 2. Definitions and interpretation

#### 2.1 Definitions

In these Rules, unless the context otherwise requires:

**Applicable Law** means one or more, as the context requires of:

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the Tax Acts;
- (f) the constitution of the Company;
- (g) the common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Federal laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them); and
- (h) any practice note, policy statement, class order, declaration, guideline, policy or procedure authorising or entitling ASIC or ASX to regulate, implement or enforce, either directly or indirectly:
  - (i) a provision of the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above;





- (ii) any agreement or deed made under the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above; or
- (iii) a person's conduct or proposed conduct under the laws, regulations, rules or constitution referred to in paragraphs (a) to (f) above, or any agreement or deed referred to in paragraph (h)(ii) above.

**Application** means an application for Awards pursuant to the terms of an Invitation.

**Application Date** has the meaning given to that term in Rule 4.2(l).

**Application Form** means the form that the Board determines is to be used to participate in the Plan in response to an Invitation.

**ASIC** means the Australian Securities and Investment Commission.

**ASX** means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.

**Award** means:

- (a) an Option;
- (b) a Right;
- (c) a Performance Share Award; or
- (d) a Share Award,

as applicable.

**Board** means the board of directors of the Company or its duly appointed representative(s).

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Class Order** means the applicable class order, or any former, subsequent and/or replacement class order, issued by ASIC relating to employee incentive schemes.

**Company** means AdAlta Limited (ABN 92 120 332 925)

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

**Corporation Regulations** means the *Corporations Regulations 2001* (Cth), as amended from time to time.

**Director** means a person holding the office of a director of the Company.

**Eligible Participant** means a Participant who:

- (a) is:
  - i. a permanent full time or part time Employee;



- ii. a casual Employee or contractor who works a pro-rata equivalent of 40% or more of a comparable full time position; or
- iii. a Non-Executive Director.

(b) is an Australian resident for tax purposes; and

(c) has provided to the Company a valid tax file number.

**Employee** means an employee of any Group Company.

**Employer** means any Group Company, and in relation to any Employee means the company by which that Employee is for the time being employed.

**Exempt Share Award** means means a Share granted under the Plan in accordance with Rule 11.1.

**Exercise Condition** means any criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met (notwithstanding the satisfaction of any Performance Hurdles and/or Service Conditions) in order for any Rights or Options that have Vested to be exercisable.

**Exercise Price** means:

- (a) in relation to a Right, a nil amount, unless otherwise determined by the Board and as specified in the Invitation; or
- (b) in relation to an Option, the amount payable on the exercise of that Option (if any), as specified in the Invitation.

**First Exercise Date** has the meaning given in Rule 4.2(i).

**Grant Date** has the meaning given in Rule 4.2(e).

**Group** means the Company and its Related Bodies Corporate from time to time.

**Group Company** means a company which is a member of the Group.

**Holding Lock** means a mechanism to prevent a Participant from dealing with or transferring Participant's Shares or creating any Security Interest over Participant's Shares held by the Participant.

**Holding Statement** has the meaning given in Rule 6.1(c).

**Invitation** means an invitation issued by the Company to an Eligible Participant under Rule 4 to apply to acquire Awards under the Plan.

**Last Exercise Date** has the meaning given in Rule 4.2(j).

**Last Vesting Date** has the meaning given in Rule 4.2(k).

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

**Loan** means a limited recourse loan provided by the Company to the Eligible Participant of the loan amount specified in an Invitation in respect of an Award.



**Loan Agreement** means a loan agreement in such form as required by the Company to be entered into by the Company and the Eligible Participant for the acquisition of Shares or the Exercise of Rights or Options by the Eligible Participant under a relevant Award.

**Market Value** means, in relation to Participant's Shares or Shares, the average "market price" (as that term is defined in the Listing Rules) per Participant's Share or Share (as applicable) weighted by reference to volume during a trading period.

**Non-Executive Director** means a director of the Company who is not employed in a full time executive capacity by the Company or a Group Company.

**Notice of Exercise** has the meaning given in Rule 9.1(a).

**Option** means a right to acquire a Share upon satisfaction of any applicable Performance Hurdles, Service Conditions and Exercise Conditions (including the payment of the Exercise Price, if any) in accordance with the terms set out in this Plan and the Invitation.

**Participant** means a person who, in response to an Invitation, has completed and returned a duly completed and executed Application Form on or before the Application Date (and whose Application has been accepted by the Board).

**Participant's Share** means any Share held by a Participant:

- (a) in respect of which the Participant exercised an Option or Right that has vested;
- (b) as a result of the Vesting of a Performance Share Award; or
- (c) which is a Share Award granted in accordance with the terms set out in this Plan.

**Performance Hurdle** means any performance based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met prior to the Vesting of certain Awards.

**Performance Share Award** means a Share granted to an Eligible Participant under the Plan, which is subject to Performance Hurdles, Service Conditions and Exercise Conditions in accordance with the terms set out in this Plan and the Invitation.

**Plan** means the Omnibus Equity Plan established and operated in accordance with these Rules.

**Qualifying Event** means:

- (a) death;
- (b) serious injury or illness which prohibits continued employment;
- (c) Retirement;
- (d) Retrenchment; or
- (e) such other circumstances which results in a Participant leaving the employment of the relevant Group Company and which the Board determines (in its absolute discretion) is a Qualifying Event.

**Related Body Corporate** has the meaning in section 9 of the Corporations Act.

**Restricted Share** means any Eligible Participant's Share that is subject to a Holding Lock pursuant to Rule 14.1.

**Retirement** means where a Participant intends to permanently cease gainful employment in circumstances where the Participant provides in good faith a statutory declaration to that effect, and the Board in its absolute discretion accepts that statutory declaration.

**Retrenchment** means where a Participant's position is made redundant, there is no acceptable alternative position available within the Group, and the Participant's employment is terminated by the relevant Group Company by reason of redundancy.

**Right** means a right to acquire a Share upon satisfaction of any applicable Performance Hurdles, Service Conditions and Exercise Conditions (other than the payment of an Exercise Price) in accordance with the terms set out in this Plan and the Invitation.

**Rules** means these Rules (including the terms and conditions set out in an Invitation), as amended from time to time.

**Salary (fee) Sacrifice** means where an Eligible Participant agrees to contractually forgo part of their future pre-tax remuneration in return for Salary Sacrifice Share Awards.

**Salary Sacrifice Share Award** means a Share Award granted in accordance with Rule 4.3.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

**Service Condition** means any time-based criteria, requirements or conditions determined by the Board and set out in the Invitation in accordance with Rule 4.2(h), which must be met prior to the Vesting of certain Awards.

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

**Share Award** means an Exempt Share Award or a Salary Sacrifice Share Award.

**Tax Acts** means the *Income Tax Assessment Act 1936* (Cth) and/or the *Income Tax Assessment Act 1997* (Cth) as applicable and each as amended from time to time.

**Vest** means an Award in respect of which the applicable Performance Hurdles and/or Service Conditions have been satisfied by the Participant holding the Award, and **Vesting** and **Vested** have corresponding meanings.

**Vesting Notice** means a notice issued to a Participant by the Company informing them that their Rights, Options and/or Performance Share Awards (as applicable) have Vested.

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## 2.2 Interpretation

In these Rules unless the context otherwise requires:

- (a) a reference to gender includes all genders;
- (b) the singular includes the plural and conversely;

- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person, and also corporations and other entities recognised by law;
- (d) a reference to any law or to the Listing Rules includes that law or the Listing Rules as amended, re-enacted or replaced and any law that supersedes that law;
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) reference to a Rule or paragraph is a reference to a Rule or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;
- (g) where any word or phrase is given a definite meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (h) where the time for doing any act, matter or thing under these Rules falls on a day which is not a Business Day, it shall be done on the next succeeding Business Day; and
- (i) a reference to an act includes an omission, and a reference to doing any act includes executing a document.

### 3. Deferred Taxation

Subdivision 83A-C (Deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997* (Cth), as amended by the *Tax and Superannuation Laws Amendment (Employee Share Schemes) Act 2015* (Cth), applies to Awards granted under this Plan, except in the case of taxed-upfront Share Awards granted in accordance with Rule 11.1.

## 4. Invitation to participate in the Plan

### 4.1 Invitation

Subject to these Rules:

- (b) the Board may issue an Invitation for an Eligible Participant to participate in the Plan;
- (c) the Board has absolute discretion to determine the contents of any Invitation, and the terms and conditions of any Vesting of Awards under the Plan (including Performance Hurdles and Service Conditions) and/or any Exercise Conditions, but such terms and conditions must be in accordance with any applicable requirements of the Listing Rules and the Corporations Act;
- (d) under the Plan the Board may also offer to selected employees a Loan pursuant to the terms of the Loan Agreement to enable that Eligible Employee to fund the acquisition of Shares or the Exercise of Rights or Options under an Award in which case -

- i. in the case of Share Awards, any dividends received from holding the relevant Shares are first to be applied against the Loan Repayment for the relevant period; and then any surplus amount can be used or directed by Eligible Participant as he or she sees fit;
  - ii. The Shares, Options or Rights may be subject to specific vesting conditions. Once vested (and where relevant Exercised), the Eligible Participant will be entitled to dispose of the Shares or resulting Shares and benefit from any upside in market value of those Shares, but subject to satisfying any outstanding loan balance under the Loan Agreement;
- (e) the Board may amend the Invitation at any time prior to the Application Date.

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#### 4.2 Provision of information with Invitation

The Invitation must be in writing and include the following terms of issue of the Awards, as applicable:

- (a) the name and address of the Eligible Participant to whom the Invitation is made;
- (b) the terms and conditions of any Salary Sacrifice arrangement;
- (c) the date of the Invitation;
- (d) the number of Awards to which the Invitation relates;
- (e) the proposed date on which the Awards will be granted to the Eligible Participant (Grant Date);
- (f) the minimum number (if any) of Awards that the Eligible Participant may apply for and, if an Eligible Participant may apply for less than the number of Awards to which they are offered, the multiples (if any) in which Awards must be applied for;
- (g) the Exercise Price of the Awards (if any) or the method of calculating the Exercise Price of the Awards;
- (h) the Loan arrangement (where applicable);
- (i) the Performance Hurdles, Service Conditions and/or Exercise Conditions (if any) that are required to be satisfied;
- (j) the earliest date from which Awards may be exercised (the **First Exercise Date**);
- (k) the latest date prior to which Awards may be exercised (the **Last Exercise Date**);
- (l) the last date on which Awards are able to Vest (the **Last Vesting Date**);
- (m) the latest date on which a duly completed Application Form must be received by the Company (**Application Date**);
- (n) any other terms and conditions relating to the issue of Awards which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules; and

- (c) any other information or documents that Applicable Laws require the Company to give to the Eligible Participant.

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#### **4.3 Salary Sacrifice arrangements**

- (a) The Board may decide that an Invitation under this Plan will involve a Salary Sacrifice, and if so, the terms and conditions of the arrangement for which Share Awards are offered in lieu of remuneration.
- (b) Where an Invitation is made which will involve a Salary Sacrifice, the Invitation is conditional on the Eligible Participant and the Company entering into an agreement setting out the terms and conditions of the Salary Sacrifice arrangement.
- (c) The Board may determine the amount of the Remuneration which may be sacrificed by each Participant in any Australian income tax year, but that amount may not exceed \$5,000.

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#### **4.4 Invitation personal to the Eligible Participant**

An Invitation under the Plan is personal to the Eligible Participant to whom it is made and may not be transferred or renounced in favour of any other person unless otherwise determined by the Board.

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#### **4.5 Application Form**

The Invitation must be accompanied by an Application Form.

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### **5. Application to participate in the Plan**

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#### **5.1 Application Form**

An Eligible Participant may only make an Application to participate in the Plan in response to an Invitation by:

- (a) completing the Application Form in respect of the number of Awards specified in the Invitation or for a lesser number subject to any restrictions or conditions set out in the Invitation;
- (b) signing the completed Application Form; and
- (c) lodging the completed and signed Application Form with the Company on or before the Application Date.

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#### **5.2 Participation in Plan**

Subject to Rule 5.3, on returning the duly completed Application Form in accordance with Rule 5.1, provided that the Eligible Participant's employment with the Company or any Group Company has not ceased, the Eligible Participant:

- (a) will participate in the Plan and acquire Awards in accordance with the Invitation;



- (b) agrees to be bound by the terms of the Invitation, the Application Form, these Rules, and the constitution of the Company; and
- (c) consents to the collection, holding, processing and exchange of their personal data by the Group for any purpose related to the proper administration of the Plan or their participation in the Plan.

---

### 5.3 Non-acceptance of Application Form

- (a) Notwithstanding any other provision of this Plan, an Eligible Participant has no entitlement to be granted any Awards unless and until such Awards are granted under Rule 6.
- (b) If the Board determines in its absolute discretion not to accept an Application Form, the Company will provide notification to that Eligible Participant that it does not intend to accept that Eligible Participant's Application Form.

---

## 6. Grant of Awards

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### 6.1 Grant

Subject to Rule 5, following the acceptance of a Participant's Application Form, on or as soon as practicable after the Application Date, the Board may:

- (a) grant Awards to the Participant in accordance with the Participant's Application Form;
- (b) complete and maintain any Rights, Options or Share register (as applicable) in accordance with the Corporations Act; and
- (c) issue a statement to the Participant setting out the Participant's holdings of Awards (**Holding Statement**).

---

### 6.2 No payment for grant

Subject to Rule 11, unless determined by the Board in its absolute discretion, no payment is required for the grant of Awards.

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## 7. Restriction on dealing

- (a) Rights, Options and Performance Share Awards granted under this Plan are non-transferable. Except in respect of the transmission of Awards to a Participant's legal representative upon death, no Rights, Options or Performance Share Awards or any right in respect of any Rights, Options or Performance Share Awards may be transferred or assigned to another person, encumbered with a Security Interest in or over them, or sold or otherwise disposed of by the Participant.
- (b) If a Participant purports to transfer, assign, have a Security Interest granted in or over, sell, or otherwise dispose of, a Right, Option or Performance Share Award, whether voluntarily or involuntarily, the relevant Award will be immediately forfeited by the Participant, unless the Board determines otherwise.



- (c) For the avoidance of doubt, Share Awards granted under this Plan are transferrable unless such Share Awards are subject to a Holding Lock or Salary Sacrifice commitments, as agreed in the Application Form, that have not been met.

## **8. Vesting of Rights and Options**

### **8.1 No exercise without Vesting**

Any Right or Option that has not Vested in accordance with Rules 8.2, 8.3 or 8.4 may not be exercised, unless (subject to Applicable Laws) the Board exercises its absolute discretion, in circumstances where the Board considers it to be in the best interests of the Company and the Group, to:

- (a) vary or waive the relevant Performance Hurdles, Service Conditions and/or Exercise Conditions, and declare the Rights and/or Options to have Vested;
- (b) bring forward the date upon which Rights and/or Options may be exercised; or
- (c) extend the period over which rights and/or Options may be exercised.

### **8.2 Satisfaction of Performance Hurdles, Service Conditions and Exercise Conditions**

Subject to this Rule 8, Rights and/or Options may only be exercised if:

- (a) the Rights and/or Options Vest in accordance with the applicable Performance Hurdles and Service Conditions; and
- (b) the Exercise Conditions (if any) have been met.

### **8.3 Qualifying Event**

Where a Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Rights and/or Options, which at the time of the Qualifying Event, are held by the Participant and have not yet Vested in accordance with Rules 8.2 or 8.4, that some or all of those Rights and/or Options will become Vested at the time of the cessation of employment of that Participant or another date determined by the Board.

### **8.4 Change of control**

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance of that bid by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Right or Option that has not Vested in accordance with Rules 8.2 or 8.3 will Vest on, and may be exercised on and from, the date determined by the Board subject to lapsing under Rule 15.

## 9. Exercise of Rights and Options

### 9.1 Vesting Notice and Notice of Exercise

- (a) Following the issue of a Vesting Notice to a Participant, the exercise of Rights and Options may only be effected by lodging a duly completed notice of exercise (in the form specified in the Holding Statement or in such other form and manner as the Board may prescribe or accept) (**Notice of Exercise**) with the Company Secretary.
- (b) After a Vesting Notice has been issued, the Company will issue a revised Holding Statement in respect of the Participant's remaining Awards.

### 9.2 Conditions of Exercise

A Right or an Option may only be exercised if at the time of exercise:

- (a) the Right or Option has become Vested in accordance with Rule 8;
- (b) the Right or Option has not lapsed or been forfeited under Rule 15 (or another provision of this Plan); and
- (c) the Exercise Price (if any) has been paid to the Company in such manner approved by the Board.

### 9.4 Cashless Exercise of Options

The Board may determine in its absolute discretion that a Participant will not be required to pay the Exercise Price of Options (if applicable) but that on exercise of the Options, the number of Shares that will be issued or transferred will be equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Shares as at the time of the exercise (with the number of Shares rounded down).

### 9.4 Exercise in whole or in part

A Participant's Rights and/or Options that have Vested may be exercised in whole or in part in accordance with the terms of the relevant Invitation. If a Participant has not exercised all of their Rights and/or Options, a revised Holding Statement will be issued in respect of the remaining Rights and/or Options.

### 9.5 Issue or transfer of Shares

Following the exercise of a Right or Option, the Company must, within such time as the Board determines:

- (a) issue to the Participant; or
  - (b) procure the transfer to the Participant of,
- the Participant's Share in respect of which the Right or Option has been exercised.

## **10. Performance Share Awards**

### **10.1 Satisfaction of Performance Hurdles and Service Conditions**

Subject to this Rule 10, Performance Share Awards may only Vest in accordance with the applicable Performance Hurdles and Service Conditions (if any), unless (subject to Applicable Laws) the Board exercises its absolute discretion, in circumstances where it considers it to be in the best interests of the Company, to:

- (a) vary or waive the relevant Performance Hurdles or Service Conditions, and declare the Performance Share Awards to have Vested; or
- (b) bring forward the date upon which the Performance Share Awards may Vest.

### **10.2 Vesting Notice**

A Performance Share Award will Vest when a Vesting Notice in respect of that Performance Share Award is given to the Participant by the Company.

### **10.3 Qualifying Event**

Where a Participant ceases to be employed by a Group Company as a result of a Qualifying Event, the Board may, in its absolute discretion, determine in relation to the Performance Share Awards, which at the time of the Qualifying Event, are held by the Participant and have not yet Vested in accordance with Rules 10.1 or 10.4, that some or all of those Performance Share Awards will Vest at the time of the cessation of employment of that Participant or another date determined by the Board.

### **10.4 Change of control**

Where:

- (a) a takeover bid is made for the Company and the Board recommends acceptance of that bid by the Company's shareholders;
- (b) a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or
- (c) the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Company,

the Board may in its absolute discretion determine that any Performance Share Award that has not Vested in accordance with Rule 10.1 or 10.3 will Vest on the date determined by the Board (subject to the forfeiture events under Rule 15).

### **10.5 Re-designation of Performance Share Awards as Shares**

If instructed to do so in writing by the Board, and provided that the Performance Share Award has Vested, each Participant will take all necessary actions and enter into all necessary documentation to give effect to the redesignation of a Performance Share Award as a Share.

## 11. Share Awards

### 11.1 Exempt Share Awards

- (a) The Company may grant Exempt Share Awards for no consideration or at a purchase price which is a discount to the then Market Value of Shares, with the intention that up to \$1,000 (or such other amount which is exempted from tax under the Tax Acts from time to time) of the total value or discount received by each Participant and which is taxed upfront will be exempt from tax (subject to the individual facts and circumstances of each Participant, and awards being subject to the minimum holding period set out in Division 83A of the Income Tax Assessment Act 1997 (Cth)).
- (b) The Company must offer Exempt Share Awards on a non-discriminatory basis in accordance with Division 83A of the Income Tax Assessment Act 1997 (Cth) as amended from time to time.

### 11.2 Salary Sacrifice Share Awards

Salary Sacrifice Share Awards may be granted in accordance with Rule 4.3.

### 11.3 Share Awards and Exercise of Options and Rights funded under a Loan Agreement

The Company may (but is not obliged) offer Share Awards and to permit Exercise of Options and Rights funded by a Loan Agreement under this Plan and where offered the Participant agrees that the Award is governed by this Plan, the Loan Agreement and any other conditions detailed in an Invitation or offer issued in respect of the relevant Award.

## 12. Share trading policy

Notwithstanding any other provision of this Plan, no Share may be acquired by or on behalf of a Participant at any time when a Participant would be precluded from dealing in Shares pursuant to any Applicable Laws or the Company's internal policies for dealings in its Shares, or otherwise as determined by the Board.

## 13. Ranking of Participant's Shares

Each Participant's Share issued will rank equally in all respects with all existing Shares from the date of issue. The Company will apply to the ASX for the quotation of any Participant's Shares granted or issued under this Plan.

## 14. Holding Lock

### 14.1 Holding Lock

Any Participant's Share may be subject to a Holding Lock up to a maximum of 15 years from the Grant Date at the Board's absolute discretion. The Board may remove the Holding Lock applying to Participant's Shares at their discretion in circumstances including, but not limited to, the following:

- (a) in special circumstances such as where the Participant:

- (i) suffers serious injury or illness;
  - (ii) suffers financial hardship;
  - (iii) is affected by a natural disaster; or
  - (iv) such other material adverse circumstances;
- (b) where the then Market Value of Participant's Shares exceed the Market Value of Shares at the Grant Date of the Rights, Options, Performance Share Awards or Share Awards (as applicable); or
- (c) upon the cessation of the Participant's employment.

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## **14.2 No dealing with Restricted Shares**

A Participant must not transfer, have a Security Interest granted over, sell or otherwise dispose of, any Restricted Shares.

## **15. Lapsing and forfeiture events**

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### **15.1 Lapsing and forfeiture events**

- (a) Unless the Board determines otherwise in its absolute discretion, Participants are at all times subject to the lapsing and forfeiture events (as applicable) set out in Rules 15.2 to 15.5.
- (b) Upon the lapsing or forfeiture of any Rights or Options under Rules 15.2, 15.3, 15.4, 15.5 or 15.6, all of the Participant's rights in respect of any such Rights or Options will cease.
- (c) Upon the forfeiture of any Performance Share Awards under Rules 15.2, 15.3, 15.4 or 15.5, those Performance Shares Awards will be immediately cancelled and all of the Participant's rights in respect of any such Performance Shares Awards will cease.

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### **15.2 Last Vesting Date**

- (a) Any Rights and/or Options held by a Participant which have not Vested in accordance with Rule 8 (and which have not otherwise been forfeited under Rule 15) by the Last Vesting Date, will lapse at 12.01 am on the day immediately following the Last Vesting Date.
- (b) Any Performance Share Awards which have not Vested in accordance with Rule 10 (and which have not otherwise been forfeited under Rule 15) by the Last Vesting Date, will be forfeited by the Participant holding those Performance Share Awards at 12.01 am on the day immediately following the Last Vesting Date.

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### **15.3 Breach, Fraud and Dishonesty**

Where the Board determines in its absolute discretion that a Participant has acted fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company:

- (a) any Rights and Options; and
- (b) any Performance Share Awards,

held by the Participant will be immediately forfeited by the Participant on the date determined by the Board, whether or not those Awards have Vested.

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#### **15.4 Cessation for reasons other than a Qualifying Event**

Where a Participant ceases to be employed by any Group Company other than as a result of a Qualifying Event:

- (a) any Rights and Options; and
- (b) any Performance Share Awards,

held by the Participant will be immediately forfeited by the Participant on the date that the Participant ceases to be employed by the relevant Group Company, whether or not those Awards have Vested.

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#### **15.5 Qualifying Event**

Where a Participant ceases to be employed by any Group Company as a result of a Qualifying Event:

- (a) any Rights and/or Options held by the Participant which have Vested in accordance with Rule 8:
  - (i) may be exercised by the Participant (or the Participant's legal personal representative, as applicable) during the 12 month period following the date on which the Participant ceases to be so employed (or, if shorter, in the period until 5.00pm on the Last Exercise Date); and
  - (ii) will be forfeited at 12.01 am on the day immediately following the last day of that 12 month period (or, if earlier, will lapse at 5.01 pm on the Last Exercise Date);
- (b) any Performance Share Awards which have Vested in accordance with Rule 10:
  - (i) will continue to be held for the benefit of the Participant and may be sold or otherwise disposed of by the Participant during the 12 month period following the date on which the Participant ceases to be so employed; and
  - (ii) will be forfeited by the Participant at 12.01 am on the day immediately following the last day of that 12 month period if not sold or otherwise disposed of by that time; and
- (c) any Rights and/or Options which have not Vested in accordance with Rule 8, and any Performance Share Awards which have not yet Vested in accordance with Rule 10 will be immediately forfeited by the Participant.

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## **15.6 Last Exercise Date**

All Rights and/or Options which have Vested in accordance with Rule 8 and which have not been exercised will lapse on the Last Exercise Date unless those Rights and/or Options have been forfeited in accordance with Rules 15.3, 15.4 or 15.5 or unless the period over which Rights and/or Options can be exercised has been extended beyond the Last Exercise Date in accordance with Rule 8.1(c).

## **16. Share issues**

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### **16.1 New or Existing Shares**

The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired on market for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules. If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate.

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### **16.2 Rights and bonus issues**

A Participant has the right to participate in rights issues and bonus issues by the Company:

- (a) in relation to Participant's Shares that are registered in the Participant's name; or
- (b) in the case of Share Awards that are registered in the name of a trustee, once those Share Awards are allocated.

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### **16.3 Adjustment under certain events**

The Board will:

- (a) reduce the Exercise Price of Rights and/or Options (if any) in the event of a new issue; and/or
- (b) change the number of underlying Shares to which Awards relate in the event of a bonus issue,

in accordance with the Listing Rules.

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### **16.4 Entitlements to an issue**

If Participant's Shares are issued prior to determination of entitlements to a new issue, the Participant's Shares so issued will be entitled to participate in the new issue.

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### **16.5 Reorganisation**

In the event of a reorganisation of the Company's share capital, the Board will review and modify the terms of the Awards if required by, and in accordance with, the Listing Rules.



## **17. Rights attaching to Participant's Shares**

### **17.1 Dividends**

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on Participant's Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

### **17.2 Voting rights**

A Participant may exercise any voting rights attaching to Participant's Shares registered in the Participant's name or, in the case of Share Awards registered in the name of a trustee, once those Share Awards are allocated to the Participant.

### **17.3 Rights, Options and Performance Shares**

Any Right, Option or Performance Share held by a Participant will not give any right to the Participant:

- (a) to receive any dividends declared by the Company; or
- (b) to receive notice of, or to vote or attend at, a meeting of the shareholders of the Company, or

until the Participant's Shares are issued or transferred (as the case requires) to, and registered in the name of, the Participant before the record date for determining entitlements to the dividend or the date of the meeting of the Company's shareholders (as the case may be).

## **18. Independent advice**

Eligible Participants should obtain their own independent advice on the financial, taxation and other consequences which may apply to them as a result of or relating to their participation in the Plan, including the Vesting and exercise of Awards and the disposal of any or all Participant's Shares acquired pursuant to the Plan.

## **19. Administration of the Plan**

### **19.1 Powers of the Board**

The Plan will be managed in accordance with these Rules, by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and the Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;



- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of, and for the benefit of, the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan;
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan; and
- (f) appoint or engage specialist service providers for the operation and administration of the Plan.

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## 19.2 Suspension or termination of Plan

- (a) Subject to Rule 19.2(b), the Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination of the Plan, these Rules will continue to operate with respect to any Participant's Shares issued, transferred or granted under the Plan prior to that suspension or termination, and any Participant's Shares to be issued, transferred or granted under the Plan as a result of any Invitation which has been issued and accepted prior to that suspension or termination.

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## 19.3 Documents

The Company may from time to time require a person invited to participate in the Plan or a Participant to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

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## 19.4 Company to provide information

The Company must provide to:

- (a) Participants, who are subject to Australian tax laws, information about Participant's Shares acquired pursuant to the Plan during the year by no later than 14 July after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Division 392 of the *Taxation Administration Act 1953* (Cth); and
- (b) the Tax Commissioner information about Participant's Shares acquired pursuant to the Plan during the year in the approved form by no later than 14 August after the end of the relevant financial year. The information provided will be in accordance with the requirements outlined in Division 392 of the *Taxation Administration Act 1953* (Cth).

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## 19.5 Liability for TFN withholding tax (ESS)

The Company will not be liable for tax imposed under the *Income Tax (TFN Withholding Tax (ESS)) Act 2009* (Cth), as participation in the Plan is conditional on the Participant



providing a valid tax file number. Acceptances to the Plan will not be processed unless the Participant provides a valid tax file number.

## **20. Contracts of employment and other employment rights**

### **20.1 Rules not part of employment contract etc.**

- (a) This Plan does not form part of any contract of employment or services between any Eligible Participant or Participant and either the Company or any Group Company.
- (b) For the avoidance of doubt, no compensation under any employment or services contract will arise as a result of the Company's suspension or termination of the Plan pursuant to Rule 19.2.

### **20.2 Participant Awards**

Nothing in these Rules:

- (a) confers on any Eligible Participant or Participant the right to continue as a director, officer or employee of any Group Company;
- (b) confers on any Eligible Participant the right to become or remain an Eligible Participant or Participant, or to continue to participate under the Plan;
- (c) affects any rights which a Group Company may have to terminate the employment or office of an Eligible Participant or Participant;
- (d) confers any right to compensation or damage for an Eligible Participant or Participant as a consequence of the termination of their employment or office by any Group Company for any reason including ceasing to have rights under the Plan as a result of such termination, or may be used to increase damages in any action brought against any Group Company in respect of any such termination; or
- (e) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any tax liabilities of the Eligible Participants or Participants.

## **21. Connection with other plans**

Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Company or any Group Company unless the terms of that other plan provide otherwise.

## **22. Plan costs**

### **22.1 Administration costs**

The Company will pay all expenses, costs and charges in relation to the establishment and operation of the Plan, including all costs incurred or associated with the issue or transfer of Participant's Shares pursuant to the Vesting or exercise of certain Awards under the Plan.

## **22.2 Taxes and disposal costs**

Notwithstanding Rule 22.1:

- (a) the Company has the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all Federal, State, Territory, local and foreign withholding tax requirements, and any other governmental imposts, in respect of any or all Participant's Shares under the Plan; and
- (b) any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of Participant's Shares acquired under the Plan will be paid for by the Participant.

## **22.3 Responsibility for Participant's tax**

The Company will not be responsible for any tax which may become payable by a Participant in connection with the issue or transfer of any Shares under this Plan.

## **23. Overseas Eligible Participants**

The Company, at the Board's absolute discretion, may:

- (a) offer Awards, subject to the law in the jurisdiction in which the Invitation is made, under the Plan to Eligible Participants who are resident outside of Australia; and
- (b) make rules for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Participants and Participants who are resident outside of Australia, but only to the extent that is required for the purposes of complying with or conforming to present or future legislation applicable in the jurisdiction in which the offer is made.

The rules referred to in Rule 23(b) will be set out in a separate addendum to these Rules for each jurisdiction outside of Australian which offers are made under the Plan. Nothing in these Rules obliges the Board to make an offer to an Eligible Participant who is resident outside of Australia.

## **24. Trust**

The Board may, in its absolute discretion, use an employee share trust for the purposes of holding any Participant's Shares under the Plan and/or delivering any Participant's Shares to Participants.

## **25. Overriding restriction**

Notwithstanding any Rule, Awards may not be issued, transferred or dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules or any other Applicable Laws or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

## **26. Amendment**

### **26.1 General**

Subject to Rule 26.2 and the Listing Rules, these Rules may be amended at the direction of the Board so as to amend, add to, delete or otherwise vary the Rules at any time in any manner the Board thinks fit in its absolute discretion.

### **26.2 Limitation on amendments**

No amendment to the provisions of these Rules may be made which materially reduces the rights of Participants in respect of Awards to which they have completed and returned an Application Form prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Federal legislation or the Listing Rules;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

### **26.3 Eligible Participants outside Australia**

Subject to Rule 23, the Board may make any additions, variations or modifications to these Rules, in relation to the implementation of the Plan and the specific application of these Rules to Eligible Participants residing outside Australia.

## **27. Waiver**

No failure or delay by a party in exercising any power, right or remedy under these Rules will operate as a waiver of such power, right or remedy. No single exercise, or partial exercise, of any power, right or remedy under this Plan will preclude any other or future exercise of that (or any other) power, right or remedy.

## **28. Severance**

If any provision of these Rules is rendered void, unenforceable or otherwise ineffective, such avoidance, unenforceability or ineffectiveness will not affect the enforceability of the remaining provisions.

## **29. Notices**

- (a) Any notice or direction given under these Rules is validly given if it is handed to the Eligible Participant or Participant concerned or sent by ordinary prepaid post to the person's last known address or given in a manner which the Board from time to time determines.
- (b) In the case of an Application Form, that application will not be taken to have been received by or on behalf of the Company until it is actually received by the Company at the address nominated from time to time by the Board.

### **30. Governing Law**

These Rules and any Awards granted under these Rules are governed by the laws of New South Wales Australia. The Company and each Participant submit to the non-exclusive jurisdiction of New South Wales courts and courts of appeal from them in connection with matters concerning these Rules and Awards granted under these Rules.

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: 1AD

Your proxy voting instruction must be received by **4:00pm (AEDT) on Sunday 24 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

**Joint holding:** Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone		Date (DD/MM/YY)
		<div style="display: inline-block; width: 30px; height: 25px; border: 1px solid black;"></div> <span style="font-size: 1.5em; margin: 0 5px;">/</span> <div style="display: inline-block; width: 30px; height: 25px; border: 1px solid black;"></div> <span style="font-size: 1.5em; margin: 0 5px;">/</span> <div style="display: inline-block; width: 30px; height: 25px; border: 1px solid black;"></div>
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		