

RHINOMED LIMITED
ACN: 107 903 159

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2019 Annual General Meeting of Rhinomed Limited ACN 107 903 159 will be held in the Tom Wills Room in the Great Southern Stand (Level 2) of the Melbourne Cricket Ground on Friday, 29 November 2019 at 9.30am.

Where to go:

Tom Wills Room, Level 2
Please use lifts 14,15 to access Tom Wills Room
MCG Parking – Entrance E off Brunton Avenue
Gate Entry – Gate 6A (between light towers 3&4)

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

BUSINESS OF THE MEETING

Financial statements and reports

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2019.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's annual financial statements and reports.

The Company's auditor, HLB Mann Judd, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

Resolution 1 - Adoption of Remuneration Report

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2019 included in the Directors' Report, which is attached to the Company's annual financial report as required under section 300A of the Corporations Act, be adopted by the Company."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report; or
- an associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

Resolution 2 – Re-election of Ron Dewhurst as a Director

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

"That, for the purposes of clause 11.3 of the Constitution and for all other purposes, Ron Dewhurst a Director who retires by rotation, and being eligible, is re-elected as a Director of the Company."

Resolution 3 - Ratification of prior placement under Listing Rule 7.1

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 21,289,992 Shares at an issue price of \$0.22 per Share, on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any person who participated in the issue; or
- any associates of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

Resolution 4 – Approval of capacity to issue shares under ASX Listing Rule 7.1A

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any person who is expected to participate in the 10% Placement Facility issue and a person who will obtain a material benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed; or
- any associates of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

Resolution 5 – Approval of Long Term Incentive Plan

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

"That, the Long Term Incentive Plan (LTIP), which is summarized in the attached Explanatory Statement, be approved and that for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, the issue of securities under the LTIP within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by the person as 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.

Resolution 6 - Approval of issue of options to Michael Johnson

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders' approval is given for the Company to grant 5,000,000 options, each to acquire one ordinary fully paid share in the Company, to Michael Johnson, a director of the Company, on the terms set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by the person as 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

Resolution 7 - Approval of issue of options to Ron Dewhurst

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders' approval is given for the Company to grant 2,000,000 options, each to acquire one ordinary fully paid share in the Company, to Ron Dewhurst, a director of the Company, on the terms set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by the person as 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

Resolution 8 - Approval of issue of options to Brent Scrimshaw

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders' approval is given for the Company to grant 2,000,000 options, each to acquire one ordinary fully paid share in the Company, to Brent Scrimshaw, a director of the Company, on the terms set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by the person as 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.

Resolution 9 - Approval of issue of options to Eric Knight

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders' approval is given for the Company to grant 1,000,000 options, each to acquire one ordinary fully paid share in the Company, to Eric Knight, a director of the Company, on the terms set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- any Key Management Personnel, which includes the Directors and executives in the Company; or
- any associate of the Key Management Personnel.

However, the Company need not disregard a vote if:

- it is cast by the person as 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

Phillip Hains

Company Secretary

On behalf of the Board of Directors

Rhinomed Limited

25 October 2019

QUESTIONS FROM SHAREHOLDERS

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, HLB Mann Judd, in relation to the conduct of the external audit for the year ended 30 June 2019, or the content of its audit report. Please send your questions to:

The Company Secretary
Rhinomed Limited
A. Level 1, 132 Gwynne Street, Cremorne VIC 3121
T. (03) 8416 0900
E. companysecretary@rhinomed.global

Written questions must be received by no later than **5.00 pm (AEDT) on Friday, 22 November 2019**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to Shareholders.

VOTING INFORMATION

Voting by proxy

- (a) A Shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the Meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.

- (e) A proxy form accompanies this Notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of attorney or other authority **by 12.30 pm (AEDT) on Wednesday, 27 November 2019**:

- online by going to <https://investor.automic.com.au/#/loginsah> or by scanning the QR code, found on the enclosed proxy form with your mobile device;
- by post to Automic Group, GPO Box 5193, Sydney NSW 2001; or
- by personal delivery to Automic Group at Level 5, 126 Phillip Street, Sydney NSW 2000 or to the Company at Level 1, 132 Gwynne Street Cremorne VIC 3121.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at **7.00 pm (AEDT) on Wednesday, 27 November 2019** will be taken to be held by the persons who held them at that time for the purposes of the annual general Meeting (including determining voting entitlements at the Meeting).

Proxy voting by the Chair

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the Chair of a Meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the Shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 - 9. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 - 9. If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman will chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

EXPLANATORY STATEMENT TO NOTICE OF 2019 ANNUAL GENERAL MEETING

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Financial and Related Reports

Section 317 of the Corporations Act requires the Company's financial report, directors' report and auditor's report for the financial year ended 30 June 2019 to be laid before the Company's 2019 Annual General Meeting. There is no requirement for a formal resolution on this item.

The financial report contains the financial statements of the consolidated entity consisting of Rhinomed Limited and its controlled entities.

A copy of the 2019 Financial Report has been sent to all shareholders and can be viewed online at the Company's website, www.rhinomed.global.

The Chair of the meeting will allow a reasonable opportunity at the meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor HLB Mann Judd questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2019, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of HLB Mann Judd in relation to the conduct of the audit.

Resolution 1 - Adoption of remuneration report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2019.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act requires a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.

- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2020 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2019 Annual Report which can be viewed online at the Company's website, www.rhinomed.global.

Resolution 2 - Election of Ron Dewhurst as a Director

In accordance with clause 11.3 of Constitution, Ron Dewhurst, a Director who retires by rotation at the close of this Annual General Meeting, offers himself for re-election as a Director.

Mr Dewhurst has spent 40 years in the investment banking and asset management industries, covering Australia, Asia, Europe and America.

In 1992, he joined J P Morgan where he ran the Asian and European equities divisions in Hong Kong and London before being appointed Head of Americas for J P Morgan Asset Management.

In 2004, he was CEO of IOOF Holdings Ltd and from 2008 until 2013 he was Senior Executive Vice President and Head of Global Investment Managers for Legg Mason, Inc. based in the United States.

Previously, Mr Dewhurst worked with Melbourne-based broking firm McCaughan Dyson before going on to become CEO of what became McCaughan.

In addition to being the Chairman of the Company, Mr Dewhurst currently holds the following board positions: OneVue Holdings Limited (ASX: OVH) since 6 October 2016; and Sprott Inc (TSX:SII) since 9 January 2017.

Director's recommendation

All of the non-associated Directors recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Ratification of prior placement under Listing Rule 7.1

General

On 27 September 2019, the Company completed an issue of 27,182,728 Shares at an issue price of \$0.22 each to raise approximately \$6 million (**Prior Placement**).

The Prior Placement was made to institutional and sophisticated investors of Bell Potter Securities, who acted as lead manager on the Prior Placement.

21,289,992 Shares of the Prior Placement were issued pursuant to the Company's capacity under Listing Rule 7.1. Listing Rule 7.1 provides that the Company is entitled to issue Equity Securities up to 15% of its issued share capital through placements during any 12-month period, without needing prior shareholder approval (**15% Placement Capacity**).

The balance of the 5,892,736 Shares issued under the Prior Placement were issued pursuant to the Company's 10% Placement Capacity under Listing Rule 7.1A, approval for which was obtained at the Company's 2018 annual general meeting on 14 December 2018.

Listing Rule 7.4 provides that if the Company in a general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those Equity Securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The Company confirms that the issue of 21,289,992 Shares under the Prior Placement did not breach Listing Rule 7.1. The Company also confirms that the issue of 5,892,736 Shares under the Prior Placement did not breach Listing Rule 7.1A.

The effect of passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% Placement Capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 3 seeks ratification of the issue of 21,289,992 Shares issued under Listing Rule 7.1. Shareholder approval is not sought for the ratification of the issue of 5,892,736 Shares under Listing Rule 7.1A as new approval for the 10% Placement Capacity is sought under Resolution 4.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Prior Placement as follows:

- a) the Company issued a total of 21,289,992 Shares under Listing Rule 7.1 to institutional and sophisticated investors of Bell Potter Securities, and who are not related parties or associates of related parties of the Company on 27 September 2019;
- b) the Shares were issued for \$0.22 per Share;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company and were issued on the same terms and conditions as the Company's existing Shares;
- d) the Company will apply the funds raised pursuant to the Prior Placement for driving accelerated sales growth through current products, new product launches and significant growth; and
- e) a voting exclusion statement is included in the Notice for Resolution 3.

Director's Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Approval of capacity to issue shares under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables certain ‘eligible entities’ to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (**10% Placement Capacity**), over and above the 15% Placement Capacity under ASX Listing Rule 7.1.

ASX Listing Rules require that Shareholders approve the 10% Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the 10% Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an ‘eligible entity’ is an entity that, as at the date of the relevant annual general meeting:

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

The Company is an ‘eligible entity’. If the 10% Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% (up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company’s issued share capital. If the 10% Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company’s issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity should the need arise.

Formula for calculating 10% Placement Facility

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

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

- 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%; and

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

(a) Minimum Price

The issue price for each security issued under the 10% Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

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

(b) Date of Issue

Equity securities under the 10% Placement Capacity may be issued until the earlier of:

- 12 months after the date of the Meeting; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

(c) Purpose of Issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new biotechnology assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital purposes, to fund the continued development and commercialisation of the Company's product range and/or to fund the acquisition of new biotechnology assets.

(d) Allocation policy under the 10% Placement Capacity

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

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

- the purpose of the issue;
- 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;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(e) Risk of voting dilution

The issue of equity securities under the 10% Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1 below). There is also the risk that:

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

Table 1 shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2).

Table 1 also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. 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

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price

Table 1

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.13 50% decrease in Issue Price	\$0.26 Current Issue Price	\$0.39 50% increase in Issue Price
Variable A - 166,223,273 Shares	10% Voting Dilution	16,622,327 Shares	16,622,327 Shares	16,622,327 Shares
	Funds Raised	\$2,160,902	\$4,321,805	\$6,482,708
50% increase in Variable A - 249,334,910 Shares	10% Voting Dilution	24,933,491 Shares	24,933,491 Shares	24,933,491 Shares
	Funds Raised	\$3,241,354	\$6,482,708	\$9,724,062
100% increase in Variable A - 332,446,546 Shares	10% Voting Dilution	33,244,655 Shares	33,244,655 Shares	33,244,655 Shares
	Funds Raised	\$4,321,805	\$8,643,610	\$12,965,415

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 17 October 2019 and on the assumption that Resolution 3 is approved to ratify the issue of shares under ASX Listing Rule 7.1A made on 27 September 2019.
- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the 10% Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Capacity includes only Shares.
- The Current Issue Price of \$0.26 was the most recent price of Shares as traded on ASX as the time of preparing this Notice (17 October 2019). This price may fluctuate between the time of preparing this Notice and the date of the Meeting and the date that any Shares are issued by the Company pursuant to ASX Listing Rule 7.1A.

The Company previously obtained approval for the 10% Placement Capacity at each Annual General Meeting dating back to 2012.

A voting exclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

Issues of Equity Securities in the 12-month period before the date of the Meeting

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b).

In the 12 months prior to the Meeting, the Company has issued 36,971,253 equity securities representing 26.13% of equity securities on issue 12 months prior to the Meeting.

The information in the below table is provided in accordance with ASX Listing Rule 7.3A.6 (b).

Issue Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
21/12/18	452,370	Ordinary shares ²	Shareholders pursuant to Share Purchase Plan	\$0.21 (21% discount to Market Price)	Cash Amount raised = \$95,000 ⁵
21/12/18	246,148	Ordinary shares ²	Entities related to Directors under Placement as approved by shareholders at 2018 AGM	\$0.21 (21% discount to Market Price)	Cash Amount raised = \$51,691 ⁵
21/12/18	9,000,000	Unquoted options ³	Directors	Nil cash consideration	Non-cash consideration Current value ⁴ = \$923,850
23/09/19	27,272,735	Ordinary shares ²	Sophisticated / Professional Investors of Bell Potter Securities	\$0.22 (8.3% discount to Market Price)	Cash Amount raised = \$6,000,000 ⁵

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).
2. Fully paid ordinary shares in the capital of the Company, ASX Code: RNO (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.287 each, issued with approval shareholders at the 2018 AGM.
4. In respect of unquoted Equity Securities 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 impact of dilution, 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. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares). Value is at 30 June 2019.

5. In respect of the \$6,156,691 cash consideration from the issue of equity securities received by the Company since 29 November 2018; approximately \$5,100,000 remains on hand as at the date of this Notice of Meeting. These funds will be invested in to fund business growth and working capital.

Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 4.

Resolution 5 - Approval of Long Term Incentive Plan

The Company proposes to adopt a long term incentive plan (**LTIP**) pursuant to which issued capital of the Company may be made available to directors, senior management and staff as a form of longer term equity incentive.

If Resolution 5 is passed, the LTIP will enable the Company to issue equity securities to employees and officers of the Company and to issue Shares to those employees and officers if they choose to exercise their equity securities. In the case of a director, no equity securities may be issued to the director without express shareholder approval of the numbers and terms of those securities.

It is intended that the LTIP will supersede the previous Employee Share and Option Plan approved by shareholders at the Company's 2017 Annual General Meeting.

There have been no securities issued under the LTIP to date.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities on issue at the commencement of that 12 month period.

An exception to Listing Rule 7.1 is set out in Listing Rule 7.2 (Exception 9) which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved this issue as an exception to Listing Rule 7.1.

Shareholder approval is sought to adopt the LTIP in accordance with Listing Rule 7.2 (Exception 9) and to enable the Company to subsequently grant equity securities under the plan without having to obtain shareholder approval each time the Company wishes to issue securities which exceed the 15% limit contained in Listing Rule 7.1 and do not otherwise fall within one of the nominated Listing Rule exemptions.

The maximum number of securities that can be issued under the LTIP (and any other equity incentive plan of the Company) is not to be in excess of 5% of the total number of shares on issue, excluding any securities that shareholders specifically approve in general meeting.

The material terms of the LTIP are set out in Appendix A to this Notice of Meeting and a voting exclusion applies to Resolution 5.

Director's recommendation

All of the Directors recommend that shareholders vote in favour of Resolution 5.

Resolutions 6 to 9 - Approval of issue of options to Directors

Background

The Company is seeking Shareholder approval for the issue of Options as follows:

Resolution	Director Receiving Options	Exercise Price	Indicative Exercise Price *	Vesting Date	Expiry Date
6	Michael Johnson	145% of the VWAP of Shares traded on ASX in the 5 trading days before the Meeting	\$0.38	Upon issue	48 months from date of issue
7	Ron Dewhurst				
8	Brent Scrimshaw				
9	Eric Knight				

* Indicative 5-day VWAP up to and including 15 October 2019.

The Company believes that the Options provide a means to incentive the directors' future ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The Company has reviewed the practices of other companies of a similar size and stage of development to determine the number of options to be issued to each of the above Directors (in each case, with the relevant Director abstaining) in Resolutions 6, 7, 8 and 9 to be appropriate and reasonable.

The benefit from the Options will only be received if the Company's Share Price exceeds the exercise price of the Options at the time of exercise.

The Options will be issued under and subject to the rules of the Company's LTIP (to be approved by Shareholders in Resolution 3).

If Resolutions 6 to 9 are approved by Shareholders, the Board intends to issue the Options as soon as reasonably practicable following the Annual General Meeting and in any event, not later than one year from the date of the meeting.

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

- a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

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

The issue of Options constitutes giving a financial benefit and each Director is a related party of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options because the agreement to issue the Options is considered reasonable remuneration in the circumstances.

Approval of acquisition of Options under Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval for related parties to participate in an employee share option plan under which they acquire, or may acquire, equity securities in the Company.

Accordingly, the Company seeks approval of Shareholders in respect of the proposed issue of the Options (and the issue of new shares or acquisition of shares on market on vesting or exercise of the Options) on the terms and conditions set out above.

Other information required under Listing Rule 10.15

- The maximum number of securities that may be acquired by the Directors is 10,000,000 Options that may be exercised into a maximum of 10,000,000 Shares.
- The issue price of each Option is \$nil and their indicative exercise price is set out in the table above.
- Shares to be issued upon exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing shares.
- The Directors are the only current Directors of the Company entitled to participate in the LTIP. No person referred to in Listing Rule 10.14 has received securities under the LTIP at this point in time.
- Funds raised upon the exercise of the Options will be put towards working capital.
- There are no loans associated with the issue of these Options.
- Annexure A contains a summary of the key terms of the LTIP that apply to the Options.

Voting Exclusion

A voting exclusion statement is included in this Notice.

GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

10% Placement Capacity has the meaning given on page 9 of the Explanatory Statement.

15% Placement Capacity has the meaning given on page 7 of the Explanatory Statement.

AEDT means Australian Eastern Daylight Savings Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or Listing Rule means the listing rules of ASX.

Board means the board of directors of the Company.

Company or Rhinomed means Rhinomed Limited (ACN 107 903 159).

Constitution means the Company's constitution.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement to this Notice of Meeting.

LTIP means the Company's Long Term Incentive Plan sought to be approved under Resolution 5.

Meeting means the 2019 Annual General Meeting of the Shareholders of the Company to be held on 28 November 2019, to which the Notice of Meeting and Explanatory Statement relate.

Notice of Meeting means this notice of meeting of the Company dated 25 October 2019.

Option means an option to subscribe for a Share.

Prior Placement has the meaning given on page 7 of the Explanatory Statement.

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

ANNEXURE A - SUMMARY OF LTIP RULES

1. General

The Rhinomed Limited Long Term Incentive Plan (**LTIP**) is intended to retain and motivate the Company's management team.

Under the LTIP, the Board has the power to grant Share Rights to Eligible Employees (or to their Nominees) in a number of forms, including as:

- (a) **Performance Rights** (ie. Share Rights with no exercise price);
- (b) **Options** (ie. Share Rights generally with an exercise price equal to the market value of a Share on the Date of Grant); or
- (c) **Premium Priced Options** (ie. Share Rights with an exercise price that is greater than the market value of a Share on the Date of Grant).

Share Rights are a right to acquire shares in the Company (or in some cases, to receive a payment of cash instead of Shares) upon the satisfaction of any terms and conditions, including any Performance Criteria, as determined by the Board and set out in a Plan Invitation.

The Board has the discretion to amend the rules of the LTIP (including retrospectively in respect of previous awards of Share Rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or for the purpose of enabling Participants to receive a more favourable taxation treatment.

Awards of Share Rights under the LTIP are made at the Board's discretion.

2. Eligibility

The rules allow for offers of Share Rights under the LTIP to be made by the Board to Eligible Employees, being any person who is in full-time or permanent part-time employment of the Company or one of its related bodies corporate, including any Directors.

3. Grant of Share Rights

Share Rights may be granted under the LTIP subject to vesting conditions, including time and performance based hurdles.

The Board determines the details of any vesting conditions applicable to any Share Rights granted under the LTIP prior to Plan Invitations being made. Share Rights will generally only vest (under normal circumstances) upon satisfaction of any time and performance based vesting conditions. If those conditions are not met, any Share Rights will generally lapse and not be capable of exercise.

4. Delivery of shares

Shares in the Company will be delivered to Participants upon exercise of vested Share Rights (or in certain circumstances, cash will be paid by the Company in lieu of delivering shares). On exercise, subject to payment of any exercise price, the Company will deliver shares either by way of new issue or by arranging for shares to be purchased on-market.

5. Cessation of employment

If a Participant ceases employment with the Company group:

- (a) any unvested Share Rights will generally lapse unless the Participant ceases employment with the Company group due to a 'Good Leaver Event' (including death, Permanent Disablement, Retirement and Redundancy (in each case, as defined in the Rules)). If a Participant is a 'good leaver', a pro rata number of Share Rights will generally be retained. However, the Board retains the discretion to determine a different outcome; and
- (b) any vested Share Rights at the time of ceasing employment will generally only be exercisable until the earlier of (i) three months after the date on which the Participant ceases employment, and (ii) the expiry date of the Share Rights.

6. Change of control

On a change of control of the Company, the Board has a broad discretion to deal with vested and unvested Share Rights, including a discretion to waive any vesting conditions applicable to unvested Share Rights, subject to such terms and conditions as it determines.

7. Plan limits

Issues of shares including on exercise of Share Rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and non-executive directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

8. Expiry of Share Rights

Share Rights which have not been exercised by the expiry date will expire and cease to exist at 5pm (AEST) on the expiry date specified in the Plan Invitation or upon the Board making a determination that the Share Rights are to be forfeited.

9. Forfeiture conditions

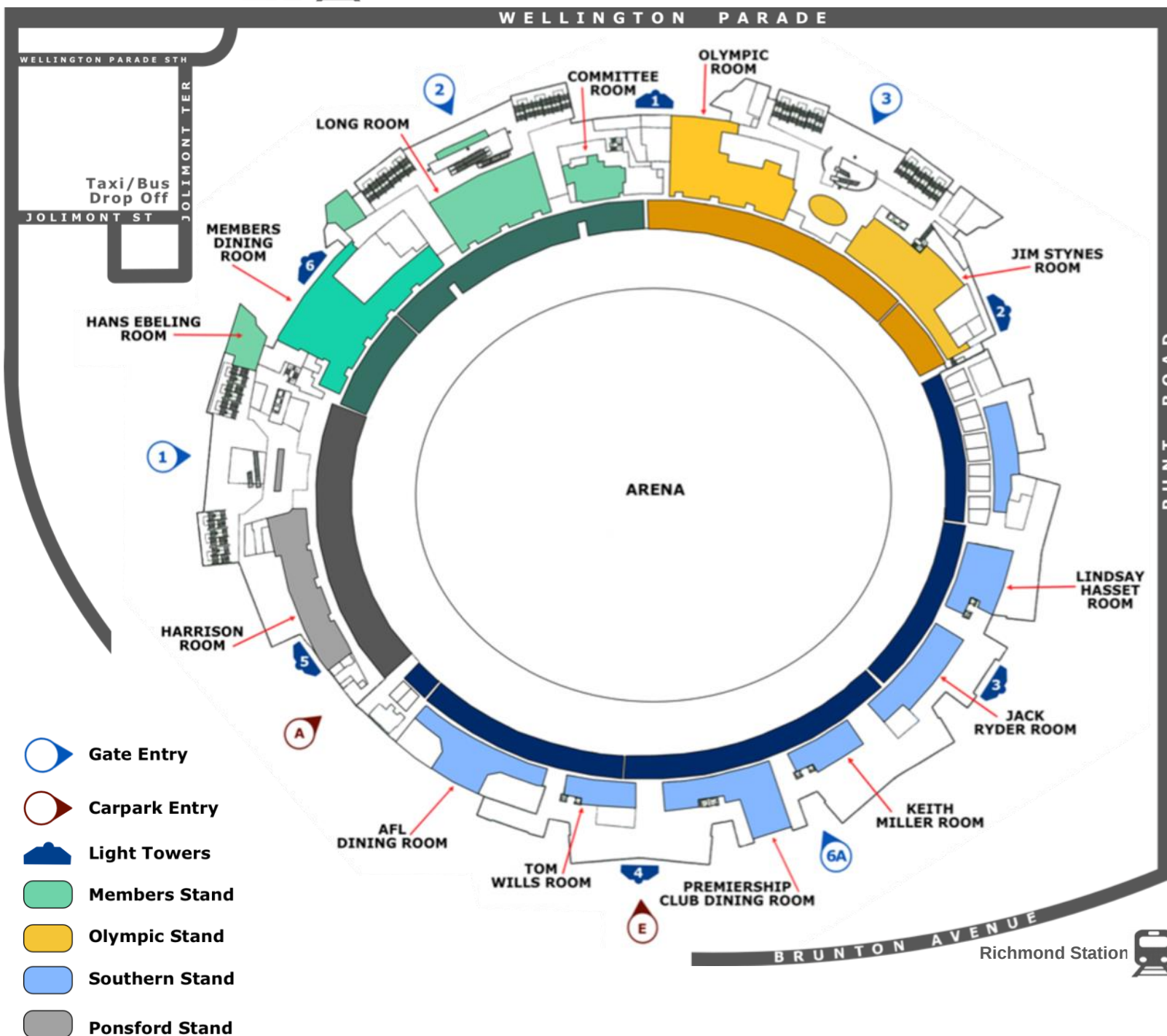
If a Participant commits any act of fraud, defalcation or gross misconduct or other similar acts, any Share Rights held by the Participant will generally lapse. In addition, the Board can include, in a Plan Invitation, additional circumstances in which the Share Rights will be forfeited.

10. Securities dealing restrictions

A share delivered to a Participant under the LTIP may not be disposed of or otherwise dealt with by that Participant at any time when the Participant would be precluded from dealing in shares pursuant to the Company's securities dealing policy.

11. Hedging economic exposure prohibited

Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.



Tom Wills Room Level 2

Gate Entry – Gate 6A

Please use lifts 14,15 to access these rooms

MCG Parking – Entrance E off Brunton Avenue

IF COMING TO THE GROUND BY TRAIN – RICHMOND STATION

Exit station, cross Punt road, walk towards the MCG via Brunton Ave, go up the stairs, enter at the above allocated room gate

TRAIN – JOLIMONT STATION TRAM – FROM WELLINGTON PARADE

Exit station, walk through the park towards the MCG, enter at the above allocated room gate

TRAM FROM OLYMPIC PARK

Get off at Rod Laver, walk up the ramp to footbridge to the MCG, enter at the above allocated room gate

TAXI

Ask to be dropped off at Jolimont Terrace and Jolimont St, enter at the above allocated room gate

PUBLIC PARKING FACILITIES

Federation Square – cnr Flinders & Swanston St
City Square – 202-208 Flinders Lane
MOPT - Entrance D off Olympic Boulevard
Metered parking in area – Jolimont St, Jolimont Terrace, Clarendon St

BRUNTON AVENUE - Car parking

Right hand turns into parking entrances are **ILLEGAL**

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: RNO

Your proxy voting instruction must be received by **9:30AM (Melbourne time) on Wednesday 27 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.



SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
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)		

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).