

16 October 2020

Dear Shareholder

Re: Notice of Annual General Meeting on Wednesday, 18 November 2020 at 1.00pm (Melbourne time)

Notice is hereby given that the Annual General Meeting of Shareholders of Paragon Care Limited (“Company”) will be held virtually via a webinar conferencing facility at 1.00pm (Melbourne time) on Wednesday, 18 November 2020 (“Annual General Meeting”, “AGM” or “Meeting”).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (“Meeting Materials”) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website <https://www.paragoncare.com.au/asx-announcements> or at or at the Company’s share registry’s online voting site.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements page at www.asx.com.au under the Company’s ASX code “PGC”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.linkmarketservices.com.au/>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry, Link Market Services, on <https://www.linkmarketservices.com.au/> or by phone on 1300 554 474 (toll free within Australia) between 8.30am and 7.30pm Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. You are invited to register in advance for the meeting through https://us02web.zoom.us/webinar/register/WN_TFOdX1K9RG6399qk5CXI6w following which you will receive a confirmation email containing information about joining the meeting. Even if you plan to participate online, we encourage all shareholders to cast proxy votes beforehand and to lodge questions in respect of the AGM resolutions ahead of the meeting at info@paragoncare.com.au. Lodging questions and casting your proxy vote ahead of the meeting will not prevent you from attending online.

Yours sincerely,



Melanie Leydin
Company Secretary

NOTICE OF 2020 ANNUAL GENERAL MEETING & EXPLANATORY MATERIAL



Date Wednesday, 18 November 2020

Time 1.00pm (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held via an audio-conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, no hard copy of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website (<https://paragoncare.com.au/investor-centre>).

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, or other professional advisor without delay.

Paragon Care Limited
ABN 76 064 551 426

Head Office
Level 4, 96-100 Albert Road
South Melbourne, VIC 3205, Australia

T _ 1300 369 559
F _ +61 3 8833 7890
info@paragoncare.com.au

PARAGON CARE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (AGM) of shareholders of Paragon Care Limited (the Company) will be held virtually by video conference on Wednesday, 18 November 2020 at 1.00pm (AEDT).

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances results from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be enclosed with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to cast their votes on the proposed resolutions. The virtual meeting can be attended using the following details:

When:

Wednesday, 18 November 2020 at 1.00pm (AEDT)

Topic:

PGC 2020 Annual General Meeting

Register in advance for the virtual meeting:

https://us02web.zoom.us/webinar/register/WN_TFOdX1K9RG6399qk5CXI6w

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to info@paragoncare.com.au. The Company will address relevant questions during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: PGC) and on its website at <https://www.paragoncare.com.au/>.

PARAGON CARE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 Annual General Meeting of the Shareholders of Paragon Care Limited ACN 064 551 426 (“Company”) will be held virtually via video conference at 1.00pm (AEDT) on Wednesday, 18 November 2020.

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Material and form part of this Notice. Terms used in this Notice of Meeting will, unless the context otherwise requires, have the meaning given to them in the Glossary.

Items of Ordinary Business

Receipt and Consideration of Financial Statements and Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the financial year ended 30 June 2020.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.

Resolution 1 – Adoption of Remuneration Report

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

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors’ Report) for the financial year ended 30 June 2020 be adopted.”

Resolution 2 – Election of Mr Mark Simari as a Director of Paragon Care Limited

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

“That Mr Mark Simari, having been appointed as a Director during the year, vacates office in accordance with the Company’s Constitution and, being eligible, offers himself for election as a Director of the Company, be elected as a Director of the Company.”

Resolution 3 – Re-election of Mr Brent Stewart as a Director of Paragon Care Limited

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

‘That Mr Brent Stewart being a Director who retires by rotation pursuant to the Company’s Constitution and being eligible for re-election, be re-elected as a Director of the Company’.

Items of Special Business

Resolution 4 – Approval of amendments to the Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of Paragon Care Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”

Resolution 5 – Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A

To consider and, if thought fit, pass 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”

A proxy form accompanies this Notice of Meeting. Shareholders who do not plan to attend the AGM are encouraged to complete and return a proxy form.

Please note, the Chair of the AGM intends to vote undirected proxies in favour of each item of business.

BY ORDER OF THE BOARD



Melanie Leydin
Company Secretary
Paragon Care Limited
Melbourne, Victoria
16 October 2020

VOTING EXCLUSION STATEMENT

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Resolution 1	<p>In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (“KMP voter”), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:</p> <ul style="list-style-type: none"> • the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or • the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy: <ul style="list-style-type: none"> ○ does not specify the way the proxy is to vote on the resolution; and ○ 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 for the Company or the consolidated entity. <p>If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</p> <p>If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the resolution or to abstain from voting.</p> <p>If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.</p>
Resolutions 2, 3 and 4	There are no voting exclusions on each resolution.
Resolution 5	As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this resolution is not currently required by Listing Rule 7.3A.7.

Notes

- (a) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. A Shareholder who is 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.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative’s appointment which must be lodged with or presented to the Company before the meeting.

- (e) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (AEDT) on 16 November 2020.
- (f) If you have any queries on how to cast your votes, please call Link Market Services Limited on 1300 554 474 during business hours.

Voting by Proxy

If you are a Shareholder entitled to attend and vote you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a Shareholder of the Company. A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 1.00pm (AEDT) on 16 November 2020 (48 hours before the commencement of the meeting). Proxies must be received before that time by one of the following methods:

Online: Shareholders may lodge their proxy votes online at: www.linkmarketservices.com.au

To lodge your proxy vote online, you will need your Security holder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the proxy form

By post: Paragon Care Limited
c/-Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By facsimile: +61 (02) 9287 0309

By hand to: Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

OR

Level 12
680 George Street
Sydney NSW 2000

*During business hours (Monday to Friday, 9:00am–5:00pm)

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Share Registry no later than 1.00pm (AEDT) on 16 November 2020.

Corporate representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

Questions and Comments by Shareholders at the Annual General Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders to ask questions about or make comments on the management of the Company at the AGM. Similarly, a reasonable opportunity will be given to Shareholders to ask the Company's external Auditor, RSM Australia, questions relevant to:

- (a) The conduct of the audit;
- (b) The preparation and content of the Auditors' Report;
- (c) The accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the audit.

Please submit any written questions addressed to the Company or its external Auditor via the address on the proxy form or to Paragon Care Limited, Level 4, 96-100 Albert Road, South Melbourne, VIC 3205, or on info@paragoncare.com.au no later than 5.00pm (AEDT) on 11 November 2020.

The Company or its external Auditor will either answer the questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to Shareholders as soon as practicable after the AGM.

EXPLANATORY MATERIAL

1. Introduction

General

This Explanatory Material has been prepared for the information of members of the Company in connection with the business to be conducted at the Annual General Meeting and provide a detailed explanation about each resolution set out in the Notice of Meeting. These Explanatory Material form part of the Notice of Meeting and must be read together with that notice.

Purpose

The purpose of the Annual General Meeting is to consider and vote on the resolutions.

Entire Document

Members are encouraged to read this document in its entirety before deciding on how to vote on the resolutions being considered at the Annual General Meeting. If you have any doubt about how to deal with this document, please consult your legal, financial or another professional advisor.

Glossary

Certain terms and abbreviations used in this Explanatory Material have defined meanings, which are set out in the Glossary.

2. Business of the Annual General Meeting

Receipt and Consideration of Financial Statements and Reports

A copy of the Annual Report for the financial year ended 30 June 2020 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) may be obtained at www.paragoncare.com.au or via the Company's announcement platform on ASX. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Except as set out in Resolution 1, no resolution is required on these reports.

Except as set out in Resolution 1, no resolution is required on these reports.

Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2020 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Board encourage all eligible shareholders to cast their votes in favour of this resolution. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

Voting Exclusions

A voting inclusion has been provided in this Notice of Meeting.

Resolution 2 - Election of Mr Mark Simari as a Director of Paragon Care Limited

Mark Simari is an experienced and accomplished professional in the health industry and has over 12 years' Board experience in a diverse range of organisations, including not-for profits. Mark was the former Chief Executive Officer and Managing Director and Co-Founder of Paragon Care during his tenure (between 2008 and 2018). He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in Australian and New Zealand Market, creating a healthcare platform spanning across capital equipment, consumables, devices and service and maintenance. Mark has also held various directorship positions in other companies such as Social Investment Australia Limited, Sage Capital Group Pty Ltd, InterPrac Financial Planning Pty Ltd and DKN Financial Group. Mark is presently the Chairman of CARETEQ Limited (formerly known as UNISONO Limited) and Akita Consulting. He also holds advisory roles with Fruitlink Pty Ltd.

Board Recommendation

The Board (with Mr Mark Simari abstaining) recommends that Shareholders vote in favour of this resolution to elect Mr Mark Simari as a Director of the Company.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3 - Re-election of Mr Brent Stewart as a Director of Paragon Care Limited

Brent is an experienced company executive and director having occupied numerous senior executive and board roles over the past 25 years. He established and grew a successful company in Australia and New Zealand (Market Equity Pty Ltd) before selling to a large multinational group (Aegis PLC). Brent has a long association with various segments of the healthcare sector in Australia and Internationally. Currently, Brent occupies Non-Executive roles at HBF Health Ltd, Etherington Inc and Argonaut Ltd.

Board Recommendation

The Board (with Mr Brent Stewart abstaining) recommends that Shareholders vote in favour of this resolution to re-elect Mr Brent Stewart as a Director of the Company.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 4 – Approval of amendments to the Constitution

Background

As part of its regular review of its operations to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes to amend the Constitution as set out below.

The amendments are proposed in order to bring the provisions of the Constitution in line with recent technological updates and will assist the Company to streamline communications with shareholders as well as utilise various electronic platforms and tools to hold and conduct shareholder meetings.

Section 136(2) of the Corporations Act states that a company may “modify or repeal its constitution, or provision of its constitution, by special resolution”. Accordingly, this resolution is proposed as a special resolution.

Proposed Amendments

The Company seeks shareholder approval for the purposes of section 136(2) of the Corporations Act, and for all other purposes that the Constitution of the Company be amended in the following manner:

(a) *Rule 13.7 in the Constitution be deleted and replaced by the following:*

Rule 13.7 Technology

The Company may hold a meeting of members at two or more venues simultaneously, including by way of virtual or hybrid meeting, using any technology that gives the members as a whole a reasonable opportunity to participate.

(b) *Inserting new clauses under Rule 14.2 such that this rule now reads as follows:*

Rule 14.2 Quorum

- A. The quorum for a meeting of members is 2 Voting Members. Each individual present may only be counted once toward a quorum. If a member has appointed more than 1 proxy or representative only 1 of them may be counted toward a quorum.
- B. If a separate meeting place is linked to the main place of a meeting of members by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:
- (i) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
 - (ii) enables the Chairman of the meeting to be aware of proceedings in the other place; and
 - (iii) enables the members in the separate meeting place to vote on a show of hands or on a poll;
- a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.
- C. Noting in Rule 14.2(B) is to be taken to limit the powers conferred on the Chair of the meeting by law.

(c) *Inserting new clauses under Rule 14.3 such that this rule now reads as follows:*

Rule 14.3 Quorum not present

- A If a quorum is not present within 15 minutes after the time for which a meeting of members is called:
- (a) if called as a result of a request of members under section 249D, the meeting is dissolved; and
 - (b) in any other case:
 - (i) the meeting is adjourned to the day, time and place that the Board decides and notifies to members, or if no decision is notified before then, to the same time on the same day in the next week at the same place; and
 - (ii) if a quorum is not present at the adjourned meeting, the meeting is dissolved.

- B If, before or during the meeting of members, any technical difficulty occurs where one or more of the matters set out in Rule 14.2(B) is not satisfied, the Chair of the meeting may:
- (a) adjourn the meeting until the difficulty is remedied; or
 - (b) continue to hold the meeting in the main place (and any other place which is linked under Rule 14.2(B)) and transact business, and no member may object to the meeting being held or continuing.
- C Noting in Rule 14.3(B) is to be taken to limit the powers conferred on the Chair of the meeting by law.

(d) Rule 34.1 in the Constitution be deleted in its entirety and replaced by the following:

Rule 34.1 Notices by Company

- A. A notice may be given by the company to a member by:
- 1. serving it on the member personally;
 - 2. sending it by post to the member's address in the register of members or an alternative address nominated by the member;
 - 3. unless the member has requested otherwise, sending the notice (and any accompanying material) to an electronic address the member has supplied to the company for the giving of notices or by other electronic means determined by the Board acting reasonably and previously notified to members.
 - 4. unless the member has requested otherwise, sending to:
 - (i) an electronic address the member has supplied to the company for the giving of notices, a URL from which the notice and other material can be viewed or downloaded; or
 - (ii) sending, to the member's address in the register of members or an alternative address nominated by the member, a letter or postcard setting out a URL from which the notice and other material can be viewed or downloaded.

For the purposes of this clause, the fact that a member has supplied an electronic address for the giving of notices does not require the company to give any notice to that person by electronic means.

- B. A notice may be given by the Company to a person entitled to a share as a result of a transmission event in any manner authorised by Rule 34.1(A) addressed to the name or title of the person,
- 1. at or to such address or electronic address supplied to the company for the giving of notices; or
 - 2. if no address or electronic address has been supplied, at or to the address or electronic address to which the notice might have been sent if the relevant transmission event had not occurred"; and

(e) Rule 34.3 in the Constitution be deleted in its entirety and replaced by the following:

Rule 34.3 Time of service

- A. A notice to a person by the Company is taken to be to be effected:
- 1) if it is delivered personally – on that day;
 - 2) if it is sent by post – on the day after the date of its posting;
 - 3) if it is sent by electronic means – on the day after the date is sent;
 - 4) if it is made available on the Company's website and / or the ASX Market Announcements Platform – on the date the notice becomes available for viewing and downloading by a member of the public;
 - 5) if it is given by a manner authorised under Rule 34.1(A)(4) – on the date nominated by the Company (acting reasonably) in the notice.
- B. Where the Company gives a notice under Rule 34.1(B) by exhibiting it at the registered office of the Company, service of notice is to be taken to be effected when the notice was first so exhibited.

(f) Rule 34.4 in the Constitution be deleted in its entirety and replaced by the following:

Rule 34.4 Notice to joint holders

A notice may be given by the company to the joint holders of a share by giving the notice in a manner authorised by rule 34.1(A) to the joint holder first named in the register of members in respect of the share.

(g) Rule 34.7 in the Constitution be deleted in their entirety and replaced by the following:

Rule 34.7 Notices by Company to "lost" members

Where:

- (a) a member does not have a registered address; or
- (b) the Company has reasonable grounds to believe that a member is not known at the member's registered address (including where the company has made enquiry at the registered address as to the member's whereabouts, and receives no response or a response indicating that the member's whereabouts are unknown)

the Company may give any notice to that member by exhibiting the notice at the registered officer of the Company or publishing the notice on the company's page of the ASX Market Announcements Platform for at least 48 hours.

Board Recommendation

The Board recommends that Shareholders vote in favour of this resolution.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 5 – Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this resolution, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Shareholders do not approve this resolution, the Company will not have the capacity to issue Equity Securities under the 10% Placement Facility, nor will it issue any Equity Securities under the 10% Placement Facility.

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

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, quoted Fully Paid Ordinary Shares and Unquoted Performance Rights.

(c) 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 x D)–E

- A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
 - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;
 - (E) plus the number of partly paid shares that became fully paid in the relevant period; less the number of fully paid shares cancelled in the relevant period.

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 relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

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

(e) Nature of consideration for issue and Minimum Issue Price

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 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 by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

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

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 18 November 2020, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 18 November 2021;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 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 by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities (for cash consideration only) under rule 7.1A.2 may be used by the Company include:
 - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.

- (d) If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 8 October 2020 (Current Share Price) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table 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.

Variable 'A' in ASX Listing Rule 7.1A.2	Share price	Dilution		
		\$0.080 Half Current Price	\$0.16 Current Price	\$0.32 Double Current Price
Current Variable A 337,885,292 Shares	10% Voting Dilution	337,885,292	337,885,292	337,885,292
	Funds raised	\$2,703,082	\$5,406,165	\$10,812,329
50% increase in Variable A 506,827,938 Shares	10% Voting Dilution	50,682,794	50,682,794	50,682,794
	Funds raised	\$4,054,624	\$8,109,247	\$16,218,494
100% increase in Variable A 675,770,584 Shares	10% Voting Dilution	67,577,058	67,577,058	67,577,058
	Funds raised	\$5,406,165	\$10,812,329	\$21,624,659

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.16 (16 cents), being the closing price of the Shares on ASX on 8 October 2020.

- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

The Company:

- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
- (ii) had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Board Recommendation

The Board believes that this resolution is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this resolution.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

Disclosure

The Company considers this Explanatory Statement to contain all material information known to it that could reasonably be required by a Shareholder in deciding how to vote on the proposed resolution other than information that would be unreasonable to require the Company to disclose because it has previously disclosed that information to Shareholders.

GLOSSARY

\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.

AEDT means Australian Eastern Daylight Time.

AGM or **Annual General Meeting** means the Annual General Meeting of the Company which is the subject of this Notice of Meeting.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires.

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

Board means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company or **PGC** means Paragon Care Limited ABN 76 064 551 426.

Constitution means the constitution of the Company as amended from time to time.

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.

DRP means Dividend Reinvestment Plan.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement which forms part of this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for 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, as amended from time to time.

Meeting has the meaning given in the introductory paragraph of the Notice.

Member has the same meaning as a Shareholder.

Notice or **Notice of Meeting** means the Notice of Annual General Meeting of the Company.

Proxy Form means the proxy form attached to the Notice;

Remuneration Report means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report.

Resolution means a resolution to be put to Paragon Care Limited Shareholders at the AGM, as set out in the Notice of Meeting.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the Company.

Shareholder means shareholder of the Company.

Share Registry means Link Market Services Limited (ACN 083 214 537) or any other person appointed as registrar of the register of members of the Company from time to time.

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

VWAP means volume weighted average price.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Paragon Care Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **1:00pm (AEDT) on Wednesday, 18 November 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by registering your attendance online at https://us02web.zoom.us/webinar/register/WN_TF0dX1K9RG6399qk5CXI6w, following which you will receive the dial-in details of the Meeting. You can view and download the **Notice of Annual General Meeting and Explanatory Memorandum** at the Company's website at <https://www.paragoncare.com.au/asx-announcements> and on the Australian Stock Exchange Announcement Platform.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2 Election of Mr Mark Simari as a Director of Paragon Care Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Re-election of Mr Brent Stewart as a Director of Paragon Care Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4 Approval of amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5 Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. 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 in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO 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 those 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 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 placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au and must be sent to the share registry prior to the meeting.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm (AEDT) on Monday, 16 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Paragon Care Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)