

# RESPIRI



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## Notice of Annual General Meeting and Explanatory Memorandum

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**Company:** Respiri Limited ACN 009 234 173

Date of Meeting: Wednesday, 16 December 2020

Time of Meeting: 2pm (Melbourne time)  
Registration from 1pm

Participate in the Meeting by:

- a) voting prior to the Meeting by lodging the proxy form (online, post or fax) by no later than 2pm (Melbourne time) on Monday, 14 December 2020, or
- b) lodge your votes during the meeting via Lumi (<https://web.lumiagm.com/396780143>)
- c) attending the Meeting via Zoom:

<https://us02web.zoom.us/j/89646418034?pwd=LzNlOHRnNUQyY29xRmFQOXJZQnFWQT09>

Meeting ID: 896 4641 8034

Passcode: 398977

This is an important document. It should be read in its entirety.

If you are in doubt as to the course you should follow, consult your financial or other professional advisor.

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**RESPIRI LIMITED****ACN 009 234 173****NOTICE OF GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders of Respiri Limited (**Respiri** or the **Company**) will be held on Wednesday, 16 December 2020 at 2.00pm (Melbourne time) (**Meeting**).

The Meeting will be hosted online as a live webcast via Zoom at the following URL: <https://us02web.zoom.us/j/89646418034?pwd=LzNlOHRRnNUQyY29xRmFQOXJZQnFWQT09> (Meeting ID:896 4641 8034, passcode: 398977). Attendance at, and participation in, the meeting will be via Zoom.

If you wish to vote on items *during* the meeting, visit <https://web.lumiagm.com> (Meeting ID:396 780 143). Detailed instructions on how to lodge your votes during the Meeting via Lumi are set out in Annexure E.

Further details in respect of the resolutions proposed in this notice of Meeting (**Notice**) are set out in the Explanatory Memorandum accompanying this Notice. The Explanatory Memorandum should be read together with, and forms part of, this Notice.

Please read this Notice carefully and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form included with this Notice. Shareholders who intend to appoint the Chairman as proxy (including appointment by default) should have regard to the Proxy Form and Voting Instructions appended to this Notice.

**AGENDA**

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**A. ORDINARY BUSINESS**

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**1. Receipt and consideration of accounts & reports**

To receive and consider the Financial Report of the Company, together with the Directors' Report (including the Remuneration Report) and the Auditors' Report for the year ended 30 June 2020.

*Note: Except as set out in Resolution 1, there is no requirement for Shareholders to vote on a resolution or adopt these reports.*

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**2. Resolution 1: Adoption of Remuneration Report**

To consider and, if thought fit, pass the following 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 is adopted."*

Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice.

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**3. Resolution 2A: Re-election of Nicholas Smedley as a Director**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, Nicholas Smedley, being a Director who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

Further details in respect of Resolution 2A are set out in the Explanatory Memorandum accompanying this Notice.

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#### **4. Resolution 2B: Re-election of Marjan Mikel as a Director**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, Marjan Mikel, being a Director who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

Further details in respect of Resolution 2B are set out in the Explanatory Memorandum accompanying this Notice.

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#### **5. Resolution 2C: Re-election of Thomas Duthy as a Director**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, Thomas Duthy, being a Director who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

Further details in respect of Resolution 2C are set out in the Explanatory Memorandum accompanying this Notice.

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### **B. SPECIAL BUSINESS**

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#### **6. Resolution 3A: Approval of issue of Options to Nicholas Smedley (or his nominee)**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 30,000,000 unquoted Options in the Company to Nicholas Smedley (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3A are set out in the Explanatory Memorandum accompanying this Notice.

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#### **7. Resolution 3B: Approval of issue of Options to Marjan Mikel (or his nominee)**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 30,000,000 unquoted Options in the Company to Marjan Mikel (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3B are set out in the Explanatory Memorandum accompanying this Notice.

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#### **8. Resolution 3C: Approval of issue of Options to Thomas Duthy (or his nominee)**

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

*"That, subject to and conditional upon all of the Director Resolutions passing, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 5,000,000 unquoted Options in the Company to Thomas Duthy (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3C are set out in the Explanatory Memorandum accompanying this Notice.

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#### **9. Resolution 3D: Approval of Cash Bonus Incentive for Nicholas Smedley (or his nominee)**

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

*"That, subject to and conditional upon all of the Cash Bonus Incentive Resolutions passing, for the purposes*

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*of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the grant of the Cash Bonus Incentive to Nicholas Smedley (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3D are set out in the Explanatory Memorandum accompanying this Notice.

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#### **10. Resolution 3E: Approval of Cash Bonus Incentive for Marjan Mikel (or his nominee)**

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

*"That, subject to and conditional upon all of the Cash Bonus Incentive Resolutions passing, for the purposes of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the grant of the Cash Bonus Incentive to Marjan Mikel (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3E are set out in the Explanatory Memorandum accompanying this Notice.

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#### **11. Resolution 3F: Approval of Cash Bonus Incentive for Thomas Duthy (or his nominee)**

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

*"That, subject to and conditional upon all of the Cash Bonus Incentive Resolutions passing, for the purposes of Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the grant of the Cash Bonus Incentive to Thomas Duthy (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 3F are set out in the Explanatory Memorandum accompanying this Notice.

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#### **12. Resolution 4A: Ratification of prior issue of Shares (issue under 2020 SPP)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,454,272 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4A are set out in the Explanatory Memorandum accompanying this Notice.

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#### **13. Resolution 4B: Ratification of prior issue of Shares (issue to brand ambassador)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 617,284 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4B are set out in the Explanatory Memorandum accompanying this Notice.

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#### **14. Resolution 4C: Ratification of prior issue of Options (issue to corporate advisor)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 unquoted Options in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4C are set out in the Explanatory Memorandum accompanying this Notice.

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**15. Resolution 4D: Ratification of prior issue of Shares (issue to Company Secretary)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 181,818 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4D are set out in the Explanatory Memorandum accompanying this Notice.

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**16. Resolution 4E: Ratification of prior issue of Shares (issue under 2020 Institutional Placement)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 62,500,000 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4E are set out in the Explanatory Memorandum accompanying this Notice.

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**17. Resolution 4F: Ratification of prior issue of Shares (issue to investor relations consultant)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4F are set out in the Explanatory Memorandum accompanying this Notice.

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**18. Resolution 4G: Ratification of prior issue of Shares (issue to human resources consultant)**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 4G are set out in the Explanatory Memorandum accompanying this Notice.

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**19. Resolution 5: Approval of 10% Placement Capacity**

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

*"That for the purposes of Listing Rule 7.1A, the directors are authorised to issue totalling up to 10% of the issued capital of the Company (at the time of issue calculated over the period prescribed under Listing Rule 7.1A.2) at an issue price, or for non-cash consideration, that is at least 75% of the volume weighted price for the Company's shares calculated over the period prescribed under Listing Rule 7.1A.3, and otherwise on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 5 are set out in the Explanatory Memorandum accompanying this Notice.

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**20. Resolution 6: Approval of Respiri Employee Share Option Plan (ESOP)**

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

*"That, for the purposes of Listing Rule 7.2 Exception 13 and for all other purposes, the Respiri Employee Share Option Plan (ESOP) be approved on the terms and conditions set out in the Explanatory Memorandum."*

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Further details in respect of Resolution 6 are set out in the Explanatory Memorandum accompanying this Notice.

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## **21. Resolution 7: Approval of issue of Options to employees and consultants**

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

*"That, subject to and conditional upon the Director Resolutions and the Cash Bonus Incentive Resolutions passing, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 unquoted Options in the Company to the Company's employees and consultants on the terms and conditions set out in the Explanatory Memorandum."*

Further details in respect of Resolution 7 are set out in the Explanatory Memorandum accompanying this Notice.

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## **C. OTHER BUSINESS**

To consider any other business that may be brought before the Meeting in accordance with the Constitution of the Company and the Corporations Act.

BY THE ORDER OF THE BOARD

**Mr Nicholas Smedley**  
Chairman

Dated: 12 November 2020

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*The accompanying Explanatory Memorandum, Proxy Form  
and Voting Instructions form part of this Notice of Meeting.*

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**PROXY AND VOTING INSTRUCTIONS**

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**Proxy Instructions**

A Shareholder who is entitled to attend and vote at this Meeting may appoint:

- (a) one proxy if the Shareholder is only entitled to one vote; and
- (b) one or two proxies if the Shareholder is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.

The proxy may, but need not, be a Shareholder of the Company.

Where a Shareholder appoints two proxies, on a show of hands, neither proxy may vote if more than one proxy attends and on a poll each proxy may only exercise votes in respect of those shares or voting rights the proxy represents.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged per the instructions on the appended proxy form.

The proxy form must be signed by the Shareholder (or in the case of a joint holding, by each joint holder) or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chairman of the Meeting as your proxy.

The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this Meeting and voting personally. If the Shareholder votes on a resolution, the proxy must not vote as the Shareholder's proxy on that resolution.

A proxy form is attached to the Notice of Meeting.

**How the Chairman will vote undirected proxies**

The Chairman of the Meeting intends to vote all available and undirected proxies FOR Resolutions 1 to 7 (inclusive)

**Proxies that are undirected on the Resolutions**

If you appoint the Chairman of the Meeting as your proxy (or if he may be appointed by default), but you do not direct the Chairman how to vote in respect of the Resolution, your election to appoint the Chairman as your proxy will be deemed to constitute an express authorisation by you directing the Chairman to vote FOR Resolutions 1 to 7 (inclusive)

This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of the resolution even if the resolution is connected directly or indirectly with remuneration of a member of the KMP of the Company (or if the Company is part of a consolidated entity, for the entity) and accordingly your votes will be counted in calculating the required majority if a poll is called.

**Corporate Representatives**

Any corporation which is a Shareholder of the Company may appoint a proxy, as set out above, or authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairperson of the Meeting) a natural person to act as its representative at any general meeting.

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting, in accordance with section 250D of the Corporations Act 2001 (Cth) ("Corporations Act"). The representative should submit evidence of his or her appointment, including any authority under which the appointment is signed, by emailing [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au). This form may be obtained from the Company's share registry.

**Voting Entitlement**

For the purposes of section 1074D(2)(g)(i) of the Corporations Act and Regulation 7.11.37(3)(b) of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders entered on the Company's Register of Members as at 7.00pm on Monday, 14 December 2020 (Melbourne time) are entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining the Shareholders entitled to attend and vote at the Meeting.

On a poll, Shareholders have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

In the case of joint holders of shares, if more than one holder votes at any Meeting, only the vote of the first named of the joint holders in the share register of the Company will be counted.

Note that you can lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using the secure access information printed on your proxy form or by using your mobile device to scan the personalised QR code (also shown on your proxy form).



## EXPLANATORY MEMORANDUM

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### RESPIRI LIMITED ACN 009 234 173

#### NOTICE OF ANNUAL GENERAL MEETING – EXPLANATORY MEMORANDUM

##### PURPOSE OF INFORMATION

This Explanatory Memorandum accompanies and forms part of the Company's Notice of Annual General Meeting (**Notice**) to be held on Wednesday, 16 December 2020 at 2.00pm (Melbourne time) (**Meeting**).

The Meeting will be hosted online as a live webcast via Zoom at the following URL: <https://us02web.zoom.us/j/89646418034?pwd=LzNlOHRRnNUQyY29xRmFQOXJZQnFWQT09> (Meeting ID:896 4641 8034, passcode: 398977). To vote on items, visit <https://web.lumiagm.com> (Meeting ID:396 780 143).

Detailed instructions on how to attend and participate in the Meeting are set out in Annexure E.

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the Meeting. It is an important document and should be read carefully and in full. The Notice incorporates, and should be read together with, this Explanatory Memorandum.

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#### 1. Receipt and consideration of accounts & reports

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2020.

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

The Remuneration Report for the financial year ended 30 June 2020 is set out in the Directors' report of the Company's 2020 Annual Report and is available on the Company's website at <http://www.respiri.co>. The Remuneration Report sets out the Company's policies and a range of matters relating to the remuneration of Directors and other Key Management Personnel of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of votes are cast against the resolution at two consecutive annual general meetings (this did not occur last year), a 'board spill resolution' needs to be put to shareholders. If such a board spill resolution is passed by shareholders, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the remuneration report was approved by the board.

The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

##### ***Voting exclusion statement***

For the purposes of sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member.

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

- it is cast by a person as a proxy for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy to vote on the Resolution in that way; 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 given to the chair to vote on the Resolution as the chair decides even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of this Resolution (excluding the Chairman) will not be voted on this Resolution. Accordingly, if you intend to



## EXPLANATORY MEMORANDUM

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appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him to vote by marking the box for this Resolution. By marking the Chairman's box on the Proxy Form, you acknowledge that the Chairman of the Meeting will vote in favour of this item of business as your proxy.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

### ***Recommendation***

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

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### **3. Resolution 2A – Re-election of Nicholas Smedley as a Director**

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. The Constitution provides that a retiring Director is eligible for re-election. Nicholas Smedley being eligible, offers himself for re-election.

Nicholas Smedley was appointed as Executive Chairman on 30 October 2019.

Nicholas is an experienced Investment Banker and M&A Advisor, with 14 years' experience at UBS and KPMG. He has worked on M&A transactions in the UK, Hong Kong, China, and Australia with transactions ranging from the A\$9bn defence of WMC Resources through to the investment of \$65m into Catch.com.au. Nicholas currently oversees investments in the Property, Aged care, Technology and Medical Technology space. Key areas of expertise include M&A, Debt structuring, Corporate governance and innovation.

### ***Interdependency***

Shareholders should note that Resolutions 2A, 2B, 2C, 3A, 3B and 3C (the "**Director Resolutions**") are interdependent. Therefore, failure of any of the Director Resolutions to be passed will result in all of Resolutions 2A, 2B, 2C, 3A, 3B and 3C being deemed to not have been passed.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

### ***Recommendation***

Given the interdependency of the Director Resolutions, and the Board's material personal interest in the subject matter, the Board will abstain from making a recommendation on this Resolution.

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### **4. Resolution 2B – Re-election of Marjan Mikel as a Director**

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. The Constitution provides that a retiring Director is eligible for re-election. Marjan Mikel being eligible, offers himself for re-election.

Marjan Mikel was appointed as CEO and Executive Director on 25 November 2019.

Marjan is a highly experienced managing director and board member with a career spanning Australia, Europe and Japan, Marjan's focus has been in the healthcare industry; from pharmaceuticals and information services and technology to medical devices and sleep disorder solutions. He founded and subsequently sold Healthy Sleep Solutions after developing it into Australia's largest provider of home based sleep diagnostic and treatment services, with Resmed Ltd as a joint venture/shareholder partner. Marjan has held a number of Board and advisory roles in public and private companies in the areas of healthcare, SaaS and medical devices.

## EXPLANATORY MEMORANDUM

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### ***Interdependency***

Shareholders should note that the Director Resolutions are interdependent. Therefore, failure of any of the Director Resolutions to be passed will result in all of Director Resolutions being deemed to not have been passed.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

### ***Recommendation***

Given the interdependency of the Director Resolutions, and the Board's material personal interest in the subject matter, the Board will abstain from making a recommendation on this Resolution.

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## **5. Resolution 2C – Re-election of Thomas Duthy as a Director**

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. The Constitution provides that a retiring Director is eligible for re-election. Thomas Duthy being eligible, offers himself for re-election.

Thomas Duthy was appointed as Non-Executive Director 11 February 2020.

Dr Duthy has over 15 years of direct financial markets experience having worked in sell-side equity research, and senior executive roles across investor relations and corporate development. Dr Duthy is the Founder and CEO of Nemean Group Pty Ltd, a boutique corporate advisory and investor relations firm specialising in delivering value-added services across the life sciences, medical devices, healthcare, technology and emerging companies sectors. Prior to establishing Nemean in October 2018, Tom was the Global Head of Investor Relations & Corporate Development at Sirtex Medical Limited (ASX:SRX), which was sold to CDH Investments in September 2018 for A\$1.9 billion, which remains the largest medical device transaction in Australian corporate history. Prior to Sirtex, Tom spent ten years as a leading sell-side Healthcare & Biotechnology analyst at Taylor Collison Limited, focused mainly on small cap companies. During this time, approximately \$200 million in equity capital was raised for selected portfolio companies. He is a Member of the Australian Institute of Company Directors (MAICD) and the Australasian Investor Relations Association (AIRA).

### ***Interdependency***

Shareholders should note that the Director Resolutions are interdependent. Therefore, failure of any of these Resolutions to be passed will result in all of the Director Resolutions being deemed to not have been passed.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

### ***Recommendation***

Given the interdependency of the Director Resolutions, and the Board's material personal interest in the subject matter, the Board will abstain from making a recommendation on this Resolution.

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## **6. Resolution 3A to 3C: Approval of issue of Options to Directors**

The Directors are remunerated at a level commensurate with the current stage of the Company's development and its financial capacity. Details of each Directors remuneration are set out below in this Explanatory Statement in respect of Resolutions 3D to 3F.

The Board believes it is appropriate to grant additional Options to the directors in lieu of paying any cash bonus. Smaller entities often elect to use equity instruments to remunerate key personnel in order to attract and retain high calibre individuals while minimizing the cash cost of engaging those people. In addition, the Options also help to create alignment between Directors and Shareholders. In particular, the Board wishes to grant the Options to the Directors under the proposed Resolutions 3A to 3C, rather than other alternatives considered by the Company including

## EXPLANATORY MEMORANDUM

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increasing Directors' fees in recognition of the calibre of the Directors. The Board considers the issue of the Options to be preferable to other available alternatives because it provides a means of appropriately remunerating and incentivising the Directors while preserving cash resources and also aligns their interests with the interests of Shareholders.

### ***Listing Rule 10.11***

Under Resolutions 3A to 3C, the Company is proposing to issue:

- 30,000,000 Options to Nicholas Smedley, a Director of the Company (or his nominee), as part of his remuneration package ("**the 3A Issue**").
- 30,000,000 Options to Marjan Mikel, a Director of the Company (or his nominee), as part of his remuneration package ("**the 3B Issue**"); and
- 5,000,000 Options to Thomas Duthy, a Director of the Company (or his nominee), as part of his remuneration package ("**the 3C Issue**").

The 3A Issue, 3B Issue and 3C Issue are being undertaken in lieu of the Company paying a cash bonus to the Directors.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not agree to issue or agree to issue Equity Securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The 3A Issue, 3B Issue and 3C Issue fall within Listing Rule 10.11.1 (or where a Director elects for his nominee to be issued the Options, Listing Rule 10.11.4) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 3A, 3B and 3C seek the required Shareholder approval for the 3A Issue, 3B Issue and 3C Issue under and for the purposes of Listing Rule 10.11.

### ***Listing Rule 7.1***

Listing Rule 7.1 requires the prior approval of Shareholders in general meeting to issue securities if the number of those securities exceeds 15% of the number of the same class of securities at the commencement of the relevant 12-month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under Listing Rule 10.11. Accordingly, if Shareholder approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (in accordance with Exception 14 of Listing Rule 7.2).

### ***Disclosures provided for Listing Rule 14.1A***

#### *Resolution 3A*

If Resolution 3A is passed, the Company will be able to proceed with the 3A Issue and issue 30,000,000 Options to Nicholas Smedley, a Director of the Company (or his nominee). In addition, the issue of the Options will be excluded from the calculation of the Company's placement capacity in accordance with the Listing Rules.

If Resolution 3A is not passed, the Company will not be able to proceed with the 3A Issue and issue 30,000,000 Options to Nicholas Smedley, a Director of the Company (or his nominee). Accordingly, the Company may be required to

**EXPLANATORY MEMORANDUM**

implement alternative arrangements to remunerate Nicholas Smedley including paying a cash bonus or providing other forms of cash based remuneration in recognition of his calibre thereby reducing the available cash resources of the Company.

**Resolution 3B**

If Resolution 3B is passed, the Company will be able to proceed with the 3B Issue and issue 30,000,000 Options to Marjan Mikel, a Director of the Company (or his nominee). In addition, the issue of the Options will be excluded from the calculation of the Company's placement capacity in accordance with the Listing Rules.

If Resolution 3B is not passed, the Company will not be able to proceed with the 3B Issue and issue 30,000,000 Options to Marjan Mikel, a Director of the Company (or his nominee). Accordingly, the Company may be required to implement alternative arrangements to remunerate Marjan Mikel including paying a cash bonus or providing other forms of cash based remuneration in recognition of his calibre thereby reducing the available cash resources of the Company.

**Resolution 3C**

If Resolution 3C is passed, the Company will be able to proceed with the 3C Issue and issue 5,000,000 Options to Thomas Duthy, a Director of the Company (or his nominee). In addition, the issue of the Options will be excluded from the calculation of the Company's placement capacity in accordance with the Listing Rules.

If Resolution 3C is not passed, the Company will not be able to proceed with the 3C Issue and issue 5,000,000 Options to Thomas Duthy, a Director of the Company (or his nominee). Accordingly, the Company may be required to implement alternative arrangements to remunerate Thomas Duthy including paying a cash bonus or providing other forms of cash based remuneration in recognition of his calibre thereby reducing the available cash resources of the Company.

***Disclosures provided for Listing Rule 10.13 in connection with Resolution 3A***

Pursuant to and in accordance Listing Rule 10.13, the following information is provided in relation to Resolution 3A:

<b>Names of the person</b>	Nicholas Smedley (or his nominee)
<b>Applicable category of Listing Rule 10.11</b>	If Nicholas Smedley elects to have the Options granted to him personally, being a Director of the Company, Listing Rule 10.11.1 applies. If Nicholas Smedley elects to have the Options granted to his nominee, such nominee being an associate of a Director of the Company, Listing Rule 10.11.4 applies.
<b>Number and class of securities issued</b>	30,000,000 Options
<b>Summary of material terms of the securities</b>	Please refer to Annexure A, for a summary of the material terms of the Options proposed to be granted pursuant to this Resolution.
<b>Date or dates by which the securities will be issued</b>	The Options proposed to be granted pursuant to this Resolution will be issued within 1 month of approval by Shareholders.
<b>Price or other consideration received for the issue</b>	The Options proposed to be granted pursuant to this Resolution will be issued for nil consideration.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Options proposed to be granted pursuant to this Resolution are being issued to Nicholas Smedley as part of his remuneration package. The Company intends to apply any proceeds received upon the exercise of the Options on general working capital purposes.
<b>Director's total remuneration package</b>	Nicholas Smedley's current total remuneration package is \$1,363,649.
<b>Material terms of agreement</b>	The Options proposed to be granted pursuant to this Resolution are not being issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

**EXPLANATORY MEMORANDUM**

<b>Future equity based payments</b>	If Resolution 3A is passed the Board will commit to not further increasing the equity-based remuneration of the Directors until such time as the Company's market capitalisation (calculated as the Share price multiplied by total Shares) exceeds \$500 million, based on a 15-Trading Day VWAP.
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**Disclosures provided for Listing Rule 10.13 in connection with Resolution 3B**

Pursuant to and in accordance Listing Rule 10.13, the following information is provided in relation to Resolution 3B:

<b>Names of the person</b>	Marjan Mikel (or his nominee)
<b>Applicable category of Listing Rule 10.11</b>	If Marjan Mikel elects to have the Options granted to him personally, being a Director of the Company, Listing Rule 10.11.1 applies. If Marjan Mikel elects to have the Options granted to his nominee, such nominee being an associate of a Director of the Company, Listing Rule 10.11.4 applies.
<b>Number and class of securities issued</b>	30,000,000 Options
<b>Summary of material terms of the securities</b>	Please refer to Annexure A, for a summary of the material terms of the Options proposed to be granted pursuant to this Resolution.
<b>Date or dates by which the securities will be issued</b>	The Options proposed to be granted pursuant to this Resolution will be issued within 1 month of approval by Shareholders.
<b>Price or other consideration received for the issue</b>	The Options proposed to be granted pursuant to this Resolution will be issued for nil consideration.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Options proposed to be granted pursuant to this Resolution are being issued to Marjan Mikel as part of his remuneration package. The Company intends to apply any proceeds received upon the exercise of the Options on general working capital purposes.
<b>Director's total remuneration package</b>	Marjan Mikel's current total remuneration package is \$1,580,345.
<b>Material terms of agreement</b>	The Options proposed to be granted pursuant to this Resolution are not being issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.
<b>Future equity based payments</b>	If Resolution 3B is passed the Board will commit to not further increasing the equity-based remuneration of the Directors until such time as the Company's market capitalisation (calculated as the Share price multiplied by total Shares) exceeds \$500 million, based on a 15-Trading Day VWAP.

**Disclosures provided for Listing Rule 10.13 in connection with Resolution 3C**

Pursuant to and in accordance Listing Rule 10.13, the following information is provided in relation to Resolution 3C:

<b>Names of the person</b>	Thomas Duthy (or his nominee)
<b>Applicable category of Listing Rule 10.11</b>	If Thomas Duthy elects to have the Options granted to him personally, being a Director of the Company, Listing Rule 10.11.1 applies. If Thomas Duthy elects to have the Options granted to his nominee, such nominee being an associate of a Director of the Company, Listing Rule 10.11.4 applies.

**EXPLANATORY MEMORANDUM**

<b>Number and class of securities issued</b>	5,000,000 Options
<b>Summary of material terms of the securities</b>	Please refer to Annexure A, for a summary of the material terms of the Options proposed to be granted pursuant to this Resolution.
<b>Date or dates by which the securities will be issued</b>	The Options proposed to be granted pursuant to this Resolution will be issued within 1 month of approval by Shareholders.
<b>Price or other consideration received for the issue</b>	The Options proposed to be granted pursuant to this Resolution will be issued for nil consideration.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Options proposed to be granted pursuant to this Resolution are being issued to Marjan Mikel as part of his remuneration package. The Company intends to apply any proceeds received upon the exercise of the Options on general working capital purposes.
<b>Director's total remuneration package</b>	Thomas Duthy's current total remuneration package is \$255,207.
<b>Material terms of agreement</b>	The Options proposed to be granted pursuant to this Resolution are not being issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.
<b>Future equity based payments</b>	If Resolution 3C is passed the Board will commit to not further increasing the equity-based remuneration of the Directors until such time as the Company's market capitalisation (calculated as the Share price multiplied by total Shares) exceeds \$500 million, based on a 15-Trading Day VWAP.

**Chapter 2E of the Corporations Act**

Additionally, Shareholders are being asked to approve Resolutions 3A to 3C in order to comply with the requirements of Chapter 2E of the Corporations Act, specifically section 208.

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of Respiri are related parties of the Company for the purposes of section 208 of the Corporations Act. A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The granting of options is specifically listed as a financial benefit under section 229 of the Corporations Act. Accordingly, the grant of the Options under Resolutions 3A to 3C constitutes the provision of a financial benefit to related parties of the Company.

The Options, if their issue is approved by Shareholders, will be valued at the grant date. However an indicative valuation of the Options as at 28 October 2020 (being the last practicable date prior to the date of this document) is detailed below:

<b>Option Holder</b>	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Option value (per Black Scholes)</b>	<b>Indicative value of total Options (at 28 October 2020)</b>
Nicholas Smedley	30,000,000	\$0.30	\$0.04976	\$1,492,750
Marjan Mikel	30,000,000	\$0.30	\$0.04976	\$1,492,750



**EXPLANATORY MEMORANDUM**

Option Holder	Number of Options	Exercise Price	Option value (per Black Scholes)	Indicative value of total Options (at 28 October 2020)
Thomas Duthy	5,000,000	\$0.30	\$0.04976	\$248,792

The indicative value of the Options is based on a Black Scholes valuation of the Options as at 28 October 2020 based on the following inputs:

- Underlying Share Price: \$0.175 per Share (17.5 cents) (closing price of Respiri's Shares on 28 October 2020)
- Exercise Price: \$0.30 per share (30 cents) (representing a 71.43% premium to the closing price of Respiri's Shares on 28 October 2020)
- Risk free rate: 0.275% (based on Australian Government 5 year bond yield as at 28 October 2020)
- Volatility: 50.60% (based on Respiri's historical Share price over the 3 months from 28 July 2020 to 28 October 2020)
- Indicative grant date: 16 December 2020
- Expiry: 60 months from the grant date

In accordance with AASB 2, the value of the Options to be granted to the Directors will be calculated on the issue date using the Black Scholes method and expensed in the Statement of Profit & Loss in the year ended 30 June 2021. However, based on the latest indicative valuation set out above as at 28 October 2020, the charge to profit and loss for the year ended 30 June 2021, would be approximately \$3,234,292.

The number of Options to be issued to the Directors if Resolutions 3A to 3C are approved represents, on a fully diluted basis assuming no other Options on issue are converted, 8.29% of the Company's issued capital as at the date of this Notice. The Directors currently hold 17,448,241 Shares in the Company and 132,500,000 Options in the Company, if the Directors are granted, and subsequently exercise the Options the subject of Resolutions 3A to 3C (but no other Options), they will hold an aggregate of 82,448,241 Shares, representing 10.51% of the Company's capital. In order to exercise the Options the subject of Resolutions 3A to 3C, Nicholas Smedley, Marjan Mikel and Thomas Duthy will need to pay the Company \$9 million, \$9 million and \$1.5 million respectively, by way of the aggregate Option exercise price. The issue of Shares following the exercise of the Options will dilute existing Shareholders' interests by approximately 8.09% (assuming no other changes in the Company's capital as at the date of this Notice).

Shareholder approval is sought for Resolutions 3A to 3C in accordance with Chapter 2E of the Corporations Act. Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in respect of Resolutions 3A to 3C:

(i) Identity of the related parties to whom Resolutions 3A to 3C permits financial benefits to be given

The Options contemplated under Resolutions 3A to 3C will be granted to each of the Directors or their Nominees.

(ii) Nature of the financial benefit

The nature of the financial benefit is the grant of Options on the terms outlined in **Annexure A**.

(iii) Valuation of financial benefit

Details of the value of the Options contemplated under Resolutions 3A to 3C are set out above.

(iv) Remuneration of Directors

Details of the remuneration of the Directors, including their related entities, for the year ended 30 June 2020, is set out in the Company's annual report dated 2 October 2020 and is summarised below.



**EXPLANATORY MEMORANDUM**

Name	Base + Super	STI	Share Based Payments	Total Remuneration
Nicholas Smedley	\$88,978		\$1,274,671	\$1,363,649*
Marjan Mikel	\$211,637	\$75,000	\$1,293,708	\$1,580,345*
Thomas Duthy	\$25,000		\$230,207	\$255,207*

The table above does not reflect the Options to be granted to the Directors under Resolutions 3A to 3C.

\*The Directors note that:

- Nicholas Smedley has only received \$88,978 in cash in remuneration from the Company, and the Share Based Payments are all Options, which if exercised would result in Nicholas Smedley paying the Company \$8.25 million by way of the aggregate Option exercise price;
- Marjan Mikel has only received \$286,637 in cash in remuneration from the Company, and the Share Based Payments are all Options, which if exercised would result in Marjan Mikel paying the Company \$12.5 million by way of the aggregate Option exercise price; and
- Thomas Duthy has only received \$25,000 in cash in remuneration from the Company, and the Share Based Payments are all Options, which if exercised would result in Thomas Duthy paying the Company \$8.00 million by way of the aggregate Option exercise price.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3A to 3C. The full terms of the Options to be issued under the 3A Issue, 3B Issue and 3C Issue are set out at Annexure A.

***Interdependency***

Shareholders should note that the Director Resolutions are interdependent. Therefore, failure of any of these Resolutions to be passed will result in all of Director Resolutions being deemed to not have been passed.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolutions 3A to 3C by or on behalf of any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary shares in the Company) and any associates of that person.

However, the Company need not disregard a vote on these Resolutions if:

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with the directions given to the proxy or attorney to vote on the Resolutions in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolutions; and
  - the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

For the purposes of section 250BD(1) of the Corporations Act, a vote must not be cast on these Resolutions (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member.

However, the Company need not disregard a vote on these Resolutions if:

## EXPLANATORY MEMORANDUM

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- it is cast by a person as a proxy for a person who is entitled to vote on the Resolutions, in accordance with the directions given to the proxy to vote on the Resolutions in that way; 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 given to the chair to vote on the Resolutions as the chair decides even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of these Resolutions (excluding the Chairman) will not be voted on these Resolutions. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him to vote by marking the box for these Resolutions. By marking the Chairman's box on the Proxy Form, you acknowledge that the Chairman of the Meeting will vote in favour of this item of business as your proxy.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of these Resolutions.

### ***Recommendation***

Given the interdependency of the Director Resolutions, and the Board's material personal interest in the subject matter, the Board will abstain from making a recommendation on these Resolutions.

If these Resolutions are passed, the Board considers that the equity-based remuneration of the Directors will be in line with listed companies of a similar size and structure to the Company. Accordingly, if these Resolutions are passed, the Board will commit to not further increasing the equity-based remuneration of the Directors until such time as the Company's market capitalisation (calculated as the Share price multiplied by total Shares) exceeds \$500 million, based on a 15-Trading Day VWAP.

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## **7. Resolutions 3D to 3F: Approval of cash bonus incentive for Directors (or their respective nominees)**

Shareholders are being asked to approve Resolutions 3D, 3E and 3F (the "**Cash Bonus Incentive Resolutions**") to allow the Directors to receive a cash bonus payment upon completion of a Qualifying Exit Event (defined below) in respect of the Company as set out below.

### **What is the Cash Bonus Incentive?**

The Cash Bonus Incentive is an undertaking by the Company that is being given to each of the Directors to make a payment to the Directors following completion of a Qualifying Exit Event. A "Qualifying Exit Event" is defined as the occurrence of any of the following Exit Events which value the Company in excess of \$350,000,000:

- (a) an offer is made for all of the Shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and results in the compulsory acquisition of Shares under Chapter 6C; or
- (b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any of the Company or its wholly-owned subsidiaries (**Group**) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group.

In the case of Nicholas Smedley the quantum of the Cash Bonus Incentive is \$2,000,000. The Cash Bonus Incentive is being granted in addition to the existing remuneration for Mr Smedley.

## EXPLANATORY MEMORANDUM

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In the case of Marjan Mikel the quantum of the Cash Bonus Incentive is \$2,000,000. The Cash Bonus Incentive is being granted in addition to the existing remuneration for Mr Mikel.

In the case of Thomas Duthy the quantum of the Cash Bonus Incentive is \$333,333. The Cash Bonus Incentive is being granted in addition to the existing remuneration for Mr Duthy.

The rationale for Cash Bonus Incentive is to incentivise the Board to pursue a Qualifying Exit Event for existing shareholders which significantly exceeds the historical market valuations of the Company. It is the Board's view that the Cash Bonus Incentive will further align the interests of the Board with the Company's existing shareholder base.

The Cash Bonus Incentive will be granted to Directors upon receipt of shareholder approval, and will continue until 1 January 2026.

Subject to the Company obtaining shareholder approval to grant the Cash Bonus Incentive, the Cash Bonus Incentive will be recorded on the terms of this explanatory statement in a letter agreement between the Company and each Director.

### ***Regulatory requirements***

Shareholders are being asked to approve the Cash Bonus Incentive Resolutions in order to comply with the requirements of section 208 of the Corporations Act.

### **Section 208 of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of Respiri are related parties of the Company for the purposes of section 208 of the Corporations Act. A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The grant of the Cash Bonus Incentive is a financial benefit for the purpose of section 229 of the Corporations Act.

The Cash Bonus Incentives constitute the provision of a financial benefit to related parties of the Company.

Shareholder approval is sought for the Cash Bonus Incentives to be granted to the Directors in accordance with Chapter 2E of the Corporations Act. Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in respect of the Cash Bonus Incentive Resolutions:

(i) *Identity of the related parties to whom Resolutions 3D to 3F permit financial benefits to be given*

The Cash Bonus Incentive will be granted to each of the Directors or their nominees.

(ii) *Nature of the financial benefit*

The nature of the financial benefit is the grant of a right to each of the Directors or their nominees to receive a cash payment from the Company following completion of a Qualifying Exit Event in the sum of, in the case of:

- Nicholas Smedley, \$2,000,000;
- Marjan Mikel, \$2,000,000; and
- Thomas Duthy, \$333,333.

(iii) *Valuation of financial benefit*

## EXPLANATORY MEMORANDUM

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In the event that a Qualifying Exit Event occurs before 1 January 2026, the value of the Cash Bonus Incentive will be the sum stated above in paragraph (ii). However, in the event that a Qualifying Exit Event does not occur before 1 January 2026, then the value of the Cash Bonus Incentive will be nil as the Directors will not receive any payment.

(iv) Remuneration of Directors

Details of the remuneration of the Directors is set above in the Explanatory Memorandum in relation to Resolutions 3A to 3C.

### **Interdependency**

Shareholders should note that the Cash Bonus Incentive Resolutions are interdependent. Therefore, failure of any of these Resolutions to be passed will result in all of the Cash Bonus Incentive Resolutions being deemed to not have been passed.

### **Voting exclusion statement**

The Company will disregard any votes cast in favour of the Cash Bonus Incentive Resolutions by or on behalf of any person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary shares in the Company) and any associates of that person.

However, the Company need not disregard a vote on these Resolutions if:

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with the directions given to the proxy or attorney to vote on the Resolutions in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolutions; and
  - the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Chairman appointed as proxy**

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of the Cash Bonus Incentive Resolutions.

### **Recommendation**

Given the interdependency of the Cash Bonus Incentive Resolutions, and the Board's material personal interest in the subject matter, the Board will abstain from making a recommendation on the Cash Bonus Incentive Resolutions.

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## **8. Resolution 4A: Ratification of prior issue of Shares (issue under 2020 SPP)**

### **Listing Rule 7.1**

On 8 May 2020, the Company issued 20,454,272 fully paid ordinary Shares to Shareholders who participated in the Company's Share Purchase Plan announced by the Company on 9 April 2020 ("**the 4A Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

**EXPLANATORY MEMORANDUM**

The 4A Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4A Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4A seeks Shareholder approval for the 4A Issue under and for the purposes of Listing Rule 7.4.

**Disclosures provided for Listing Rule 14.1A**

If Resolution 4A is passed, the 4A Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4A Issue.

If Resolution 4A is not passed, the 4A Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4A Issue.

**Disclosures provided for Listing Rule 7.5**

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4A:

<b>Names of the person to whom securities were issued</b>	Existing Shareholders who participated in the Share Purchase Plan announced by the Company on 9 April 2020.  None of the persons to whom the Shares were issued under the 4A Issue were related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers to the Company or any of their associates who were being issued more than 1% of the Company's current issued capital.
<b>Number and class of securities issued</b>	20,454,272 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.
<b>Date or dates by which the securities will be issued</b>	8 May 2020.
<b>Price or other consideration received for the issue</b>	\$0.055 (5.5 cents) per Share.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The proceeds raised under the Share Purchase Plan are intended to be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo™ respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional working capital will enable the continued growth of the Company's current products alongside its future products.
<b>Material terms of agreement</b>	The Shares issued under the 4A Issue were not issued under an agreement.

**EXPLANATORY MEMORANDUM**

<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.
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***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4A by or on behalf of any person who participated in the 4A Issue and any associates of that person *or a person who is a counterparty to the agreement being approved.*

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**9. Resolution 4B: Ratification of prior issue of Shares (issue to brand ambassador)*****Listing Rule 7.1***

On 3 June 2020, the Company issued 617,284 fully paid ordinary Shares to the Company's brand ambassador pursuant to an existing brand ambassador agreement as announced by the Company on 1 June 2020 ("**the 4B Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4B Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4B Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4B seeks Shareholder approval for the 4B Issue under and for the purposes of Listing Rule 7.4.



**EXPLANATORY MEMORANDUM*****Disclosures provided for Listing Rule 14.1A***

If Resolution 4B is passed, the 4B Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4B Issue.

If Resolution 4B is not passed, the 4B Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4B Issue.

***Disclosures provided for Listing Rule 7.5***

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4B:

<b>Names of the person to whom securities were issued</b>	Michael Clarke
<b>Number and class of securities issued</b>	617,284 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.
<b>Date or dates by which the securities will be issued</b>	3 June 2020.
<b>Price or other consideration received for the issue</b>	The Shares were issued in consideration for services rendered by the brand ambassador.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Shares issued comprised the second (of two) tranches of Shares issued to the Company's brand ambassador pursuant to an existing brand ambassador agreement. No funds were raised by the Company as part of the issue.
<b>Material terms of agreement</b>	Pursuant to the agreement, the Company appointed Michael Clarke to act as the Company's brand ambassador to promote the Company's products. In consideration for such services, the Company was required to pay an annual retainer fee and issue two tranches of Shares to the brand ambassador.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4B by or on behalf of any person who participated in the 4B Issue and any associates of that person *or a person who is a counterparty to the agreement being approved*.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:



**EXPLANATORY MEMORANDUM**

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Chairman appointed as proxy**

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

**Recommendation**

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

**10. Resolution 4C: Ratification of prior issue of Options (issue to corporate advisor)****Listing Rule 7.1**

On 3 June 2020, the Company issued 5,000,000 unquoted Options to the Company's corporate advisor as part payment for services rendered under a Corporate Advisory Services Agreement entered into with the corporate advisor, as announced by the Company on 1 June 2020 ("the 4C Issue").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4C Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4C Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4C seeks Shareholder approval for the 4C Issue under and for the purposes of Listing Rule 7.4.

**Disclosures provided for Listing Rule 14.1A**

If Resolution 4C is passed, the 4C Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4C Issue.

If Resolution 4C is not passed, the 4C Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4C Issue.

**Disclosures provided for Listing Rule 7.5**

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4C:

<b>Names of the person to whom securities were issued</b>	Baker Young Stockbrokers Ltd
<b>Number and class of securities issued</b>	5,000,000 unquoted Options

**EXPLANATORY MEMORANDUM**

<b>Summary of material terms of the securities</b>	The Options are each exercisable at \$0.10 (10 cents) and expire 3 years from the date of issue.
<b>Date or dates by which the securities will be issued</b>	3 June 2020.
<b>Price or other consideration received for the issue</b>	The Options were issued in consideration for services rendered by the corporate advisor.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Options were issued to the Company's corporate adviser pursuant to an existing Corporate Advisory Services Agreement. No funds were raised by the Company as part of the issue, however the Company may raise up to \$500,000 upon the exercise of such Options. The Company intends to apply such funds (if any) towards the Company's general working capital requirements.
<b>Material terms of agreement</b>	Pursuant to the agreement, the Company appointed Baker Young Stockbrokers Limited ( <b>BYS</b> ) to provide corporate advisory support services. In consideration for such services, the Company was required to pay a monthly retainer fee and issue the Options the subject the 4C Issue, to <b>BYS</b> .
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4C by or on behalf of any person who participated in the 4C Issue and any associates of that person *or a person who is a counterparty to the agreement being approved*.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**EXPLANATORY MEMORANDUM****11. Resolution 4D: Ratification of prior issue of Shares (issue to Company Secretary)*****Listing Rule 7.1***

On 8 May 2020, the Company issued 181,818 fully paid Shares to the Company's Company Secretary who participated in the Company's Share Purchase Plan announced by the Company on 9 April 2020 ("**the 4D Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4D Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4D Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4D seeks Shareholder approval for the 4D Issue under and for the purposes of Listing Rule 7.4.

***Disclosures provided for Listing Rule 14.1A***

If Resolution 4D is passed, the 4D Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4D Issue.

If Resolution 4D is not passed, the 4D Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4D Issue.

***Disclosures provided for Listing Rule 7.5***

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4D:

<b>Names of the person to whom securities were issued</b>	Alastair & Jennifer Beard ATF the Red Bull Super Fund
<b>Number and class of securities issued</b>	181,818 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.
<b>Date or dates by which the securities will be issued</b>	8 May 2020.
<b>Price or other consideration received for the issue</b>	\$0.055 (5.5 cents) per Share.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The proceeds raised under the Share Purchase Plan are intended to be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo™ respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional

**EXPLANATORY MEMORANDUM**

	working capital will enable the continued growth of the Company's current products alongside its future products.
<b>Material terms of agreement</b>	The Shares issued under the 4D Issue were not issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4D by or on behalf of any person who participated in the 4D Issue and any associates of that person *or a person who is a counterparty to the agreement being approved.*

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**12. Resolution 4E: Ratification of prior issue of Shares (issue under 2020 Institutional Placement)*****Listing Rule 7.1***

On 28 October 2020, the Company issued 62,500,000 fully paid Shares to various unrelated sophisticated and professional investors who participated in the Company's Institutional Placement announced by the Company on 20 October 2020 ("**the 4E Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4E Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4E Issue.

**EXPLANATORY MEMORANDUM**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4E seeks Shareholder approval for the 4E Issue under and for the purposes of Listing Rule 7.4.

**Disclosures provided for Listing Rule 14.1A**

If Resolution 4E is passed, the 4E Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4E Issue.

If Resolution 4E is not passed, the 4E Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4E Issue.

**Disclosures provided for Listing Rule 7.5**

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4E

<b>Names of the person to whom securities were issued</b>	Various unrelated sophisticated and professional investors who participated in the Company's Institutional Placement announced by the Company on 20 October 2020.  None of the persons to whom the Shares were issued under the 4E Issue were related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers to the Company or any of their associates who were being issued more than 1% of the Company's current issued capital.
<b>Number and class of securities issued</b>	62,500,000 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.
<b>Date or dates by which the securities will be issued</b>	28 October 2020.
<b>Price or other consideration received for the issue</b>	\$0.20 (20 cents) per Share.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The proceeds raised under the Institutional Placement are intended to be deployed in market development activities for the US and European market launches (\$1.6 million), sales and marketing initiatives (\$2.1 million), product development and research (\$1.5 million) and working capital, principally inventory build to meet expected demand for wheezo™ (\$6.5 million).
<b>Material terms of agreement</b>	The Shares issued under the 4E Issue were not issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

## EXPLANATORY MEMORANDUM

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### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4E by or on behalf of any person who participated in the 4E Issue and any associates of that person *or a person who is a counterparty to the agreement being approved*.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### ***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

### ***Recommendation***

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

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## **13. Resolution 4F: Ratification of prior issue of Shares (issue to investor relations consultant)**

### ***Listing Rule 7.1***

On 28 October 2020, the Company issued 1,000,000 fully paid Shares to the Company's investor relations consultant to remunerate the consultant for providing investor relations services to the Company, as announced by the Company on 20 October 2020 ("**the 4F Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4F Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4F Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4F seeks Shareholder approval for the 4F Issue under and for the purposes of Listing Rule 7.4.

### ***Disclosures provided for Listing Rule 14.1A***

**EXPLANATORY MEMORANDUM**

If Resolution 4F is passed, the 4F Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4F Issue.

If Resolution 4F is not passed, the 4F Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4F Issue.

**Disclosures provided for Listing Rule 7.5**

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4F:

<b>Names of the person to whom securities were issued</b>	Maple Management Ltd
<b>Number and class of securities issued</b>	1,000,000 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.
<b>Date or dates by which the securities will be issued</b>	28 October 2020.
<b>Price or other consideration received for the issue</b>	The Shares were issued in consideration for services rendered by the investor relations consultant.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Shares were issued to the investor relations consultant for providing investor relations services. No funds were raised by the Company as part of the issue.
<b>Material terms of agreement</b>	Under the agreement entered into with the investor relations consultant, the consultant is engaged to provide consulting services, strategic development and investor relations to the Company during 2020 and 2021.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

**Voting exclusion statement**

The Company will disregard any votes cast in favour of Resolution 4F by or on behalf of any person who participated in the 4F Issue and any associates of that person *or a person who is a counterparty to the agreement being approved*.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and



**EXPLANATORY MEMORANDUM**

- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**14. Resolution 4G: Ratification of prior issue of Shares (issue to human resources consultant)*****Listing Rule 7.1***

On 28 October 2020, the Company issued 1,000,000 fully paid Shares to the Company's human resources consultant to remunerate the consultant for providing human resources services to the Company, as announced by the Company on 20 October 2020 ("**the 4G Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The 4G Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of the 4G Issue.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4G seeks Shareholder approval for the 4F Issue under and for the purposes of Listing Rule 7.4.

***Disclosures provided for Listing Rule 14.1A***

If Resolution 4G is passed, the 4G Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4G Issue.

If Resolution 4G is not passed, the 4G Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of the 4G Issue.

***Disclosures provided for Listing Rule 7.5***

Pursuant to and in accordance Listing Rule 7.5, the following information is provided in relation to Resolution 4G:

<b>Names of the person to whom securities were issued</b>	Maple Management Ltd
<b>Number and class of securities issued</b>	1,000,000 fully paid ordinary Shares
<b>Summary of material terms of the securities</b>	The Shares issued rank pari passu with all existing Shares on issue.

**EXPLANATORY MEMORANDUM**

<b>Date or dates by which the securities will be issued</b>	28 October 2020.
<b>Price or other consideration received for the issue</b>	The Shares were issued in consideration for services rendered by the human resources consultant.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Shares were issued to the human resources consultant for providing human resources services. No funds were raised by the Company as part of the issue.
<b>Material terms of agreement</b>	Under the agreement entered into with the human resources, the consultant is entitled to be issued the Shares the subject of the 4G issues upon successful placement of a candidate as CEO of the Company whereby such fee is payable on the 12 month anniversary of the CEO's acceptance.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 4G by or on behalf of any person who participated in the 4G Issue and any associates of that person *or a person who is a counterparty to the agreement being approved.*

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**15. Resolution 5: Approval of 10% Placement Capacity*****Listing Rule 7.1A***

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

## EXPLANATORY MEMORANDUM

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% ("**10% Placement Facility**").

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 5 seeks Shareholder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

### **Disclosures provided for Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **Securities issued under the 10% Placement Facility**

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 only quoted Equity Securities that the Company has on issue are its Shares. Therefore, any Equity Securities issued under the 10% Placement Facility must be Shares.

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

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

Where:

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

**EXPLANATORY MEMORANDUM**

Note that A is 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 the holders of the Company's ordinary securities under Listing Rule 7.4.

**Disclosures provided for Listing Rule 7.3A**

Pursuant to and in accordance Listing Rule 7.3A, the following information is provided in relation to Resolution 5:

<b>Period for which approval is valid</b>	<p>Equity Securities may be issued under the 10% Placement Facility commencing from the date of the Meeting and expiring on the earlier to occur of:</p> <p>(a) the date that is 12 months after the date of the Meeting;</p> <p>(b) the time and date of the Company's next annual general meeting; or</p> <p>(c) the time and date of the approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of the Company's main undertaking),</p> <p>("10% Placement Period").</p>
<b>Minimum price at which Equity Securities may be issued</b>	<p>The minimum price at which Equity Securities may be issued under the 10% Placement Facility is 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:</p> <p>(a) 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 Equity Securities; or</p> <p>(b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.</p>
<b>Purpose for which the funds raised may be used</b>	<p>The Company may issue Equity Securities under the 10% Placement Facility as cash consideration, in which case the Company intends to use funds raised for product development and general working capital.</p>
<b>Risk of economic and voting dilution for Shareholders</b>	<p>Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.</p> <p>If Resolution 5 is approved by shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.</p> <p>The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2) on the basis of the closing price of the Company's Shares of \$0.175 (17.5 cents) on 28 October 2020 ("<b>Market Price</b>") and the current number of Shares on issue as at the date of this Notice being 719,330,790 Shares. The table also shows:</p> <p>(a) two examples of the voting dilution impact where variable "A" has increased, by 50% and 100%, whereby variable "A" is based on the number of ordinary securities the Company has on issue at the date of this Notice; and</p> <p>(b) two examples of the economic dilution impact where the issue price of Shares issued under the 10% Placement Facility (Issue Price) has decreased by 50% and increased by 100% as against the Market Price.</p>

## EXPLANATORY MEMORANDUM

Variable "A" in Listing Rule 7.1A.2*	Issue Price (per Share)	Dilution		
		\$0.0875 (50% decrease in Market Price)	\$0.175 (Market Price)	\$0.35 (100% increase in Market Price)
<b>719,330,790 Shares (Current Variable A)</b>	10% voting dilution	71,933,079 Shares	71,933,079 Shares	71,933,079 Shares
	Funds raised	\$6,294,144	\$12,588,288	\$25,176,577
<b>1,078,996,185 Shares (50% increase in current Variable A)</b>	10% voting dilution	107,889,618 Shares	107,889,618 Shares	107,889,618 Shares
	Funds raised	\$9,441,216	\$18,882,433	\$37,764,866
<b>1,438,661,580,484 Shares (100% increase in current Variable A)</b>	10% voting dilution	143,866,158 Shares	143,866,158 Shares	143,866,158 Shares
	Funds raised	\$12,588,288	\$25,176,577	\$50,353,155

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

The table above is based on the following assumptions:

- the Market Price set out above is the closing price of the Shares on the ASX on 28 October 2020;
- the Company issues the maximum possible number of Equity Securities under the 10% Placement Facility;
- the Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1;
- the issue of Equity Securities consists only of Shares and it is assumed that no options or other convertible securities are exercised or converted into Shares before the date of issue of the Equity Securities;
- the calculations above do not show the dilution that any one particular shareholder will be subject to and all shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- the table does not set out any dilution pursuant to approvals under Listing Rule 7.1;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue, this is why the voting dilution is shown in each example as 10%; and
- 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 Meeting.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the date of the

**EXPLANATORY MEMORANDUM**

	<p>issue of the relevant Shares than on the date of the Meeting; and</p> <p>(b) the Shares may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date.</p>
<b>Company's allocation policy for issues under the 10% Placement Facility</b>	<p>The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of the proposed placement.</p> <p>The recipients of the Equity Securities to be issued under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing shareholders, or new investors (or both), none of whom will be related parties of the Company or their associates.</p> <p>The identity of recipients of the Equity Securities to be issued under the 10% Placement Facility will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <p>(a) the purpose of the issue;</p> <p>(b) the alternative methods of raising funds that are available to the Company at that time, including but not limited to, a rights issue or other issue in which existing shareholders can participate;</p> <p>(c) the effect of the issue of the Equity Securities on the control of the Company;</p> <p>(d) the circumstances of the Company, including but not limited to the financial situation and solvency of the Company;</p> <p>(e) prevailing market conditions; and</p> <p>(f) advice from corporate, financial and broking advisers (if applicable).</p>
<b>Issues of under the 10% Placement Facility in the past 12 months</b>	<p>The Company previously obtained approval from its Shareholders for the 10% Placement Facility pursuant to Listing Rule 7.1A at its 2019 Annual General Meetings held on 25 November 2019 respectively ("<b>Previous Approval</b>").</p> <p>Details of the total number of Equity Securities issued or agreed to be issued under the Previous Approval ("<b>Previous Approval Securities</b>") during the 12 months prior to the Meeting ("<b>Previous Approval Period</b>") and the percentage that the Previous Approval Securities represent of the total number of Equity Securities on issue at the commencement of the Previous Approval Period, for each such issue, are particularised in Annexure B.</p>
<b>Voting exclusion statement</b>	<p>A voting exclusion statement is included in the Notice.</p> <p>At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under the 10% Placement Facility. Accordingly no existing Shareholder's votes will be excluded from Resolution 5.</p>

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of, if at the time the approval is sought the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, a person (or any associates of such a person) who may participate in the issue or who might obtain a material benefit, except a benefit solely in the capacity of a Shareholder if Resolution 5 is passed.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or

**EXPLANATORY MEMORANDUM**

- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**16. Resolution 6: Approval of Respiri Employee Share Option Plan*****Listing Rule 7.2 (Exception 13)***

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.2 sets out a number of exceptions to Listing Rule 7.1, one of which (Exception 13) is an issue of securities under an employee incentive scheme if, within three years before the date of issue the Shareholders approved the issue of securities under the scheme.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval for the the Respiri Employee Share Option Plan ("**ESOP**") under and for the purposes of Listing Rule 7.2 (Exception 13).

***Disclosures provided for Listing Rule 14.1A***

If Resolution 6 is passed, any Equity Securities issued under the ESOP that do not exceed the maximum number set out in this Notice will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of such issue.

If Resolution 6 is not passed, any Equity Securities issued under the ESOP will be included in calculating the Company's 15% limit in Listing Rule 7.1 (or if Resolution 5 is passed, the Company's combined 25% limit in Listing Rules 7.1 and 7.1A), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of such issue. Accordingly, the Board may need to consider alternative remuneration arrangements to incentivise its employees, which are consistent with the Company's remuneration principles, including providing an equivalent cash payment or long term incentive subject to the risk of forfeiture, performance conditions and performance period.

***Disclosures provided for Listing Rule 7.2 (Exception 13)***

Pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

<b>Summary of terms of the ESOP</b>	A summary of the terms of the ESOP is set out at Annexure C.
<b>Number of securities issued under the ESOP</b>	As at the date of this Notice, no securities have been issued under the ESOP.



**EXPLANATORY MEMORANDUM**

<b>Maximum number of securities proposed to be issued under the ESOP</b>	The maximum number of securities proposed to be issued under the ESOP within the three year period from the date of the passing of this Resolution is 22,671,019 Shares, being 2.5% of the total Equity Securities on issue as at the date of this Notice (being 906,840,790, comprised of 715,340,790 Shares and 191,500,000 Options).
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting Exclusion Statement***

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of, any person who is eligible to participate in the ESOP (or any of their associates).

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

For the purposes of section 250BD(1) of the Corporations Act, a vote must not be cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member.

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

- it is cast by a person as a proxy for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy to vote on the Resolution in that way; 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 given to the chair to vote on the Resolution as the chair decides even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of this Resolution (excluding the Chairman) will not be voted on this Resolution. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him to vote by marking the box for this Resolution. By marking the Chairman's box on the Proxy Form, you acknowledge that the Chairman of the Meeting will vote in favour of this item of business as your proxy.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

**EXPLANATORY MEMORANDUM****17. Resolution 7: Approval of issue of Options to employees and consultants*****Listing Rule 7.1***

The Company is proposing to issue up to 10,000,000 Options exercisable at \$0.30 (30 cents) and expiring 60 months from the date of issue to employees and consultants of the Company outside of the ESOP to both remunerate and incentivise employees and consultants of the Company ("**the Proposed Issue**").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Proposed Issue does not fall within any of these exceptions and currently exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 7 sees the required Shareholder approval for the Proposed Issue under and for the purposes of Listing Rule 7.1.

***Disclosures provided for Listing Rule 14.1A***

If Resolution 7 is passed, the Company will be able to proceed with the Proposed Issue and issue up to 10,000,000 Options to employees and consultants of the Company. In addition, the issue of the Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the Proposed Issue until such time as the Company has sufficient capacity under the 15% limit in Listing Rule 7.1. Accordingly, the Company may be required to implement alternative arrangements to remunerate and incentivize its employees and consultants including paying a cash amount or providing other forms of cash based remuneration thereby reducing the available cash resources of the Company.

***Disclosures provided for Listing Rule 7.3***

Pursuant to and in accordance Listing Rule 7.3, the following information is provided in relation to Resolution 7:

<b>Names of the person</b>	<p>The Options are proposed to be issued to employees and consultants of the Company.</p> <p>The Company has not selected or identified persons to participate in the Proposed Issue who are related parties of the Company, members of the Company's key management personnel, a substantial holder of the Company, an adviser to the Company or any of their associates, and who are to be issued more than 1% of the Company's current issued capital.</p>
<b>Number and class of securities issued</b>	10,000,000 unquoted Options
<b>Summary of material terms of the securities</b>	Please refer to Annexure D, for a summary of the material terms of the Options proposed to be granted pursuant to this Resolution.
<b>Date or dates by which the securities will be issued</b>	The Options proposed to be granted pursuant to this Resolution will be issued within 3 months of approval by Shareholders.
<b>Price or other consideration received for the issue</b>	The Options proposed to be granted pursuant to this Resolution will be issued for nil consideration.
<b>Purpose of the issue, including intended use of any funds raised by the issue</b>	The Options proposed to be granted pursuant to this Resolution are being issued to incentivise and remunerate the Company's employees and consultants. The Company intends to apply any proceeds received upon the exercise of the Options on general working capital purposes.

**EXPLANATORY MEMORANDUM**

<b>Material terms of agreement</b>	The Options proposed to be granted pursuant to this Resolution are not being issued under an agreement.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in this Explanatory Memorandum.

***Voting exclusion statement***

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company, or any of their associates.

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

- it is cast by a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- it is cast by the person chairing the Meeting as proxy or attorney for a person who is entitled to vote in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

***Interdependency***

Shareholders should note that Resolution 7 is conditional upon Shareholders approving the Director Resolutions and the Cash Bonus Incentive Resolutions. Therefore, failure of any of the Director Resolutions and the Cash Bonus Incentive Resolutions to be passed will result in Resolution 7 being deemed to not have been passed.

***Chairman appointed as proxy***

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should refer to the Proxy and Voting Instructions appended to this Notice. To the extent permitted by law, the Chairman intends to vote all undirected proxies granted to him in favour of this Resolution.

***Recommendation***

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

## EXPLANATORY MEMORANDUM

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### GLOSSARY

The following terms have the following meanings in the Notice:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Memorandum for Resolution 5;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Memorandum for Resolution 5;

“**AEDT**” means Australian Eastern Daylight Time;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“**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;

“**Cash Bonus Incentive**” means the cash bonus incentive to be granted to each of the directors, subject to shareholder approval on the terms outlined in the explanatory statement in respect of Resolutions 3D to 3F, which in summary is the grant of a right to each of the Directors or their nominees to receive a cash payment from the Company following completion of a Qualifying Exit Event in the sum of, in the case of:

(a) Nicholas Smedley, \$2,000,000;

(b) Marjan Mikel, \$2,000,000; and

(c) Thomas Duthy, \$333,333;

“**Cash Bonus Incentive Resolutions**” means Resolutions 3D, 3E and 3F;

“**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 “**Respiri**” means Respiri Limited ACN 009 234 173;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Director Resolutions**” means Resolutions 2A, 2B, 2C, 3A, 3B and 3C of this Notice;

“**ESOP**” has the meaning as defined in the Explanatory Memorandum for Resolution 6;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Exit Event**” means if any of the following events complete in respect of the Company:

## EXPLANATORY MEMORANDUM

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- (a) an offer is made for all of the Shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and results in the compulsory acquisition of Shares under Chapter 6C; or
- (b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any of the Company or its wholly-owned subsidiaries (**Group**) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group;

**"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:

- (a) where the term appears in relation to a resolution under section 250R(2) of the Corporations Act, means members and former members of the key management personnel of the Company whose remuneration details are disclosed in the Remuneration Report; and
- (b) otherwise, has the same meaning as that term in the accounting standards;

**"Listing Rules"** means the Listing Rules of the ASX;

**"Meeting"** has the meaning given in the introductory paragraph of the Notice;

**"Notice"** means this Notice of Meeting including the Explanatory Memorandum;

**"Previous Approval"** has the meaning as defined in the Explanatory Memorandum for Resolution 5;

**"Previous Approval Period"** has the meaning as defined in the Explanatory Memorandum for Resolution 5;

**"Previous Approval Securities"** has the meaning as defined in the Explanatory Memorandum for Resolution 5;

**"Proxy Form"** means the proxy form attached to this Notice;

**"Qualifying Exit Event"** means an Exit Event which values the Company and/or the Group for no less than \$350,000,000;

**"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 Annual Report;

**"Resolution"** means a resolution referred to in this Notice;

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

**"Shareholder"** means shareholder of the Company;

**"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.

## EXPLANATORY MEMORANDUM

## Annexure A Director Option terms

<b>Exercise Price</b>	<p>Each Option will exercisable at \$0.30 (30 cents).</p> <p>However, if:</p> <ul style="list-style-type: none"> <li>an offer is made for all of the Shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and results in the compulsory acquisition of Shares under Chapter 6C; or</li> <li>the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or</li> <li>any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</li> <li>any of the Company or its wholly-owned subsidiaries (<b>Group</b>) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group;</li> </ul> <p>and such transaction values the Company and/or the Group for no less than \$350 million, then the exercise price of the Options will reduce by 75% of the current exercise price of those Options, being to \$0.075 (7.5 cents).</p> <p>Notwithstanding anything else in the Option terms, if the exercise price of the Options is unable to be reduced upon the occurrence of an event as outlined above, each holder of the Options will be entitled to a one-off cash payment in the amount of 22.5 cents per Option in lieu of such reduction, being the equivalent of the exercise price reduction that the holder of the Options would otherwise have been entitled to receive.</p>
<b>Conversion</b>	Each Option converts into one fully paid ordinary Share in the capital of the Company.
<b>Exercise Period</b>	Each Option may be exercised up to 60 months from the date of issue.
<b>Vesting Conditions</b>	The Options will not be subject to any vesting conditions and will vest immediately.
<b>Shares to rank <i>pari passu</i></b>	All Shares issued upon exercise of the Options will rank <i>pari passu</i> in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from ASX for the Options.
<b>Capital reorganisation</b>	In the event of a reorganisation of the capital of the Company, the rights attaching to each Option will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganization.
<b>No participation rights</b>	The Options do not carry any participation rights in new Share issues.
<b>No voting rights</b>	The Options do not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
<b>No dividend rights</b>	The Options do not entitle the holder to any dividends.
<b>Amendments required by ASX</b>	The Options may be amended as necessary by the Directors of the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms of the Options.

**EXPLANATORY MEMORANDUM****Annexure B Disclosure required by Listing Rule 7.3A.6**

Pursuant to and in accordance with Listing Rule 7.3A.6(a), the following information is provided in relation to Resolution 5:

<b>Total Previous Approval Securities issued or agreed to be issued during Previous Approval Period</b>	115,910,241 Shares
<b>Percentage that Previous Approval Securities represent of the total Equity Securities at commencement of Previous Approval Period</b>	As at the commencement of the Previous Approval Period (ie 25 November 2019), the total number of Equity Securities on issue was 617,883,098 (comprised of 558,883,098 Shares and 59,000,000 unquoted Options).  Therefore, the Previous Approval Securities represent 18.76% of the total number of Equity Securities on issue at the commencement of the Previous Approval Period.

Pursuant to and in accordance with Listing Rule 7.3A.6(b), the following information is provided in relation to Resolution 5 regarding the Previous Approval Securities:

<b>Issue date</b>	<b>Number and Class</b>	<b>Recipient</b>	<b>Issue price (A\$) and discount (if any) to the market price on date of issue</b>	<b>Consideration, and use of funds as at the date of this Notice</b>
28 October 2020	62,500,000 fully paid ordinary shares	Institutional and sophisticated investors	\$0.20, being at a discount of 14.9% to the last closing market price of Shares prior to the announcement of the issue (being \$0.235).	\$12,500,000  The Company intends to apply the proceeds on market development activities for the US and European market launches (\$1.6 million), sales and marketing initiatives (\$2.1 million), product development and research (\$1.5 million) and working capital, principally inventory build to meet expected demand for wheezo™ (\$6.5 million).
8 May 2020	181,818 fully paid ordinary shares	Alastair & Jennifer Beard ATF the Red Bull Super Fund	\$0.055 being at a discount of 25.6% to the last closing market price of Shares prior to the announcement of the issue (being \$0.074).	\$10,000  The proceeds raised under the Share Purchase Plan are intended to be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo™ respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional working capital will enable the continued growth of the Company's current products alongside its future products.
8 May 2020	23,806,963 fully paid ordinary shares	Existing Shareholders who participated in the Share Purchase Plan announced by	\$0.055 being at a discount of 25.6% to the last closing market price of Shares prior to the announcement of the issue (being \$0.074).	\$1,309,383  The proceeds raised under the Share Purchase Plan are intended to be invested in strategic initiatives such as product and clinical development, manufacturing, sales



**EXPLANATORY MEMORANDUM**

Issue date	Number and Class	Recipient	Issue price (A\$) and discount (if any) to the market price on date of issue	Consideration, and use of funds as at the date of this Notice
		the Company on 9 April 2020.		and marketing of the Company's proprietary wheezo™ respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional working capital will enable the continued growth of the Company's current products alongside its future products.
3 April 2020	29,421,460 fully paid ordinary shares	Institutional and sophisticated investors	\$0.055 being at a discount of 25.6% to the last closing market price of Shares prior to the announcement of the issue (being \$0.074).	\$1,618,180  The proceeds raised under the placement are intended to be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo™ respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

The Company has not agreed, prior to the commencement of Previous Approval Period, to issue any Equity Securities under Listing Rule 7.1A.2 which, as at the date of the Meeting, have not been issued.

**EXPLANATORY MEMORANDUM****Annexure C ESOP terms**

<b>Topic</b>	<b>Summary</b>
<b>Eligible Participant</b>	A person is eligible to participate in the ESOP if that person is declared by the Board to be eligible to participate in the ESOP and that person is a Director, a full-time or part-time employee of any member of the Company, or any other person declared by the Board to be eligible ( <b>Eligible Participant</b> ).
<b>Securities to be issued</b>	As part of the ESOP, Eligible Participants may be issued the following securities in the Company ( <b>Awards</b> ): <ul style="list-style-type: none"> <li>• options to acquire Shares (<b>Options</b>); and</li> <li>• entitlements to subscribe for, acquire and/or be allocated Shares for nil consideration (<b>Performance Rights</b>).</li> </ul>
<b>Payment for the exercise of Awards</b>	The Board may determine, in its absolute discretion, the fee (if any) payable by an Eligible Participant who has been granted an Award ( <b>Participant</b> ) for the exercise of Award, which are Options.
<b>Number of Awards granted</b>	The number of Awards offered to a Participant from time to time will be determined by the Board in its absolute discretion and in accordance with the terms of the ESOP.
<b>Vesting of Awards</b>	The Board may determine, in its absolute discretion, the terms and conditions (including performance hurdles and/or vesting conditions) which apply to the vesting of any Awards. If no vesting conditions or vesting events are specified certain default vesting conditions will apply to the Awards.
<b>Lapsing of Awards</b>	Unless otherwise specified in the vesting conditions or vesting events applicable to Award or determined otherwise by the Board an Award will lapse on the earlier of: <ul style="list-style-type: none"> <li>• the Board determining that a vesting condition or vesting event applicable to an Award has not been satisfied, reached or met or is not capable of being satisfied;</li> <li>• the day immediately following the relevant expiry date of the Award;</li> <li>• where a holder of an Award purports to deal with an Award other than in accordance with the ESOP;</li> <li>• the Holder of the Award ceasing employment with the Company, in which case the Award will lapse in accordance with the 'cessation of employment' section as outlined below; or</li> <li>• the Board making a determining following a 'Change of Control Event'.</li> </ul>
<b>Cessation of employment</b>	Where a Participant ceases employment or office with the Company as a result of a resignation of the Participant or a termination of that Participant's employment or office in certain circumstances (ie due to poor performance, serious or persistent breaches of their employment or engagement contract, becoming disqualified from managing corporations, or serious or gross misconduct): <ul style="list-style-type: none"> <li>• vested Options may continue to be exercisable up to the expiry date unless otherwise determined by the Board; and</li> <li>• any unvested Options and/or Performance Rights will immediately lapse and be forfeited for nominal consideration.</li> </ul> <p>If a Participant ceases employment or office with the Company for another reason other than those specified above (i.e. dies, becomes permanently disabled, retires from the workforce or is made redundant):</p>

**EXPLANATORY MEMORANDUM**

Topic	Summary
	<ul style="list-style-type: none"> <li>• vested Options which have not been exercised will continue to be exercisable up to the expiry date; and</li> <li>• unvested Options and/or Performance Rights will vest in accordance with the rules of vesting otherwise applicable to Awards granted under the ESOP.</li> </ul>
<b>Variation of ESOP</b>	<p>Subject to the Listing Rules and the Constitution, the Board will have the power to vary the terms of the ESOP at any time and in manner in which it thinks fit.</p> <p>However, the Board may only amend a provision of the ESOP rules or to Options and/or Performance Rights granted under the Plan, which adversely affects the rights of Participants in respect of existing Awards, with the consent of those Eligible Participants and holders of the Awards, unless the amendment is required for the purposes of complying with any law or the Listing Rules.</p>
<b>Change of control</b>	<p>If:</p> <ul style="list-style-type: none"> <li>• an offer is made for all of the Shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and results in the compulsory acquisition of Shares under Chapter 6C; or</li> <li>• the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or</li> <li>• any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</li> <li>• any of the Company or its wholly-owned subsidiaries (<b>Group</b>) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group; or</li> <li>• the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are members of the Group,</li> </ul> <p>then the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Options or unvested Performance Rights held by a holder will be treated, including but not limited to:</p> <ul style="list-style-type: none"> <li>• determining that unvested Options or Performance Rights (or a portion of unvested Options or Performance Rights) will vest and become immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the relevant event, regardless of whether or not the employment, engagement or office of the holder is terminated or ceases in connection with the event; and/or</li> <li>• reducing or waiving any of the vesting conditions applicable to those unvested Options or unvested Performance Rights.</li> </ul>
<b>Restrictions on disposal</b>	<p>Awards issued to a Participant may not be assigned, transferred or encumbered with a security interest unless:</p> <ul style="list-style-type: none"> <li>• otherwise agreed by the Board;</li> <li>• that assignment or transfer occurs by force of law on the death of a Participant;</li> <li>• in the case of Options, 3 years from the issue of the Options; or</li> </ul>

**EXPLANATORY MEMORANDUM**

<b>Topic</b>	<b>Summary</b>
	<ul style="list-style-type: none"><li>the Participant becomes a 'Good Leaver'.</li></ul> <p>The Board may determine, in its absolute discretion whether there will be any restrictions on the disposal of or the granting of any security interests over the Shares issued on the exercise of Awards.</p>
<b>Voting rights</b>	The Awards will not give a Participant any voting rights until the relevant Awards are exercised and the Participants holds Shares.
<b>Dividend rights</b>	The Awards will not give a Participant any right to participate in any dividends until the relevant Awards are exercised and the Participants holds Shares.

**EXPLANATORY MEMORANDUM****Annexure D Employee and Consultant Option terms**

<b>Exercise Price</b>	<p>Each Option will exercisable at \$0.30 (30 cents).</p> <p>However, if:</p> <ul style="list-style-type: none"> <li>• an offer is made for all of the Shares in the Company pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional and results in the compulsory acquisition of Shares under Chapter 6C; or</li> <li>• the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or</li> <li>• any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 100% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</li> <li>• any of the Company or its wholly-owned subsidiaries (<b>Group</b>) enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in the relevant Group entity) of the Group to a person, or a number of persons, none of which are members of the Group;</li> </ul> <p>and such transaction values the Company and/or the Group for no less than \$350 million, then the exercise price of the Options will reduce by 75% of the current exercise price of those Options, being to \$0.075 (7.5 cents).</p> <p>Notwithstanding anything else in the Option terms, if the exercise price of the Options is unable to be reduced upon the occurrence of an event as outlined above, each holder of the Options will be entitled to a one-off cash payment in the amount of 22.5 cents per Option in lieu of such reduction, being the equivalent of the exercise price reduction that the holder of the Options would otherwise have been entitled to receive.</p>
<b>Conversion</b>	Each Option converts into one fully paid ordinary Share in the capital of the Company.
<b>Exercise Period</b>	<p>Each Option may be exercised up to 60 months from the date of issue.</p> <p>Notwithstanding anything else in the Option terms, in the event of a takeover of the Company or the sale of its main undertaking all, Options that have not lapsed shall be exercisable on the date the takeover, merger or sale is completed.</p>
<b>Vesting Conditions</b>	The Options may be subject to such vesting or performance conditions as determined by the Board, in its sole discretion, at the time of grant.
<b>Shares to rank pari passu</b>	All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from ASX for the Options.
<b>Capital reorganisation</b>	In the event of a reorganisation of the capital of the Company, the rights attaching to each Option will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganization.
<b>No participation rights</b>	The Options do not carry any participation rights in new Share issues.
<b>No voting rights</b>	The Options do not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
<b>No dividend rights</b>	The Options do not entitle the holder to any dividends.

**EXPLANATORY MEMORANDUM**

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**Amendments required  
by ASX**

The Options may be amended as necessary by the Directors of the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms of the Options.

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**EXPLANATORY MEMORANDUM**

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**Annexure E      Online meeting guide**

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# Online voting guide

## Getting started

To submit your vote online you will need to visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

### To log in, you must have the following information:

#### Meeting ID

Meeting ID as provided in the Notice of Meeting.

#### Australian residents

- > **Username** (SRN or HIN) and
- > **Password** (postcode of your registered address).

#### Overseas Residents

- > **Username** (SRN or HIN) and
- > **Password** (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN.

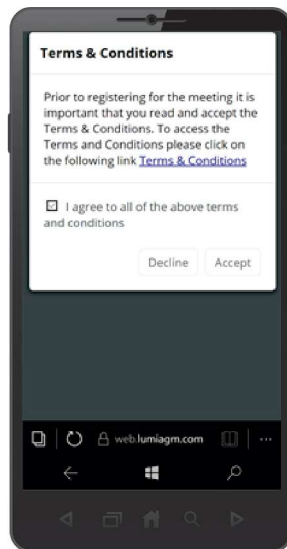
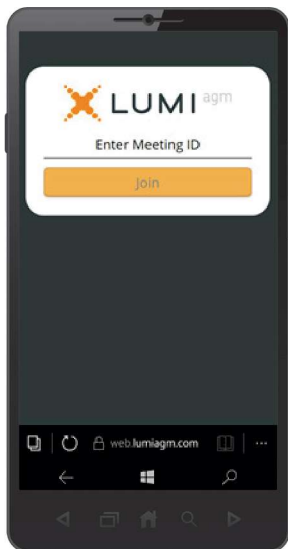
A full list of country codes is provided at the end of this guide.

#### Appointed Proxies

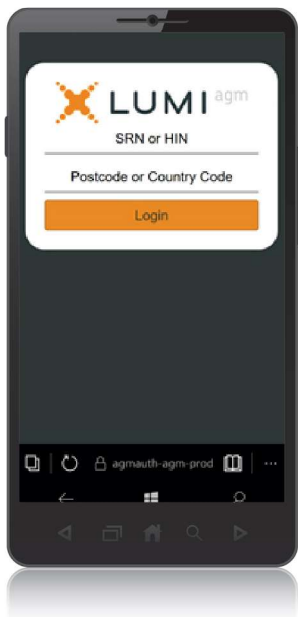
To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 Monday to Friday during business hours.

## Voting at the meeting

- 1** To participate in voting during the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.
- 2** To proceed into the meeting, you will need to read and accept the Terms & Conditions.
- 3** To register as a securityholder, enter your SRN or HIN and Postcode or Country Code.




**4** To register as a proxyholder you will need your username and password as provided by Computershare Investor Services. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.



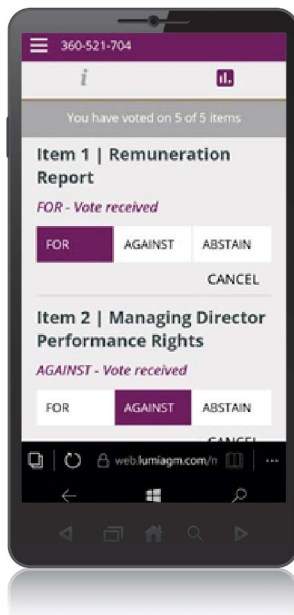
**5** Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.



**6** When the Chair declares the poll open:

- > A voting icon  will appear on screen and the meeting resolutions will be displayed
- > To vote, tap one of the voting options. Your response will be highlighted
- > To change your vote, simply press a different option to override

The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



## Icon descriptions

 Voting icon, used to vote. Only visible when the Chair opens the poll.

 Home page icon, displays meeting information.

## COUNTRY CODES Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

<b>ABW</b> ARUBA	<b>DEU</b> GERMANY	<b>KHM</b> CAMBODIA	<b>PRK</b> KOREA DEM PEOPLES REPUBLIC OF	<b>TJK</b> TAJIKISTAN
<b>AFG</b> AFGHANISTAN	<b>DJI</b> DJIBOUTI	<b>KIR</b> KIRIBATI	<b>PRT</b> PORTUGAL	<b>TKL</b> TOKELAU
<b>AGO</b> ANGOLA	<b>DMA</b> DOMINICA	<b>KNA</b> ST KITTS AND NEVIS	<b>PRY</b> PARAGUAY	<b>TKM</b> TURKMENISTAN
<b>AIA</b> ANGUILLA	<b>DNK</b> DENMARK	<b>KOR</b> KOREA REPUBLIC OF	<b>PSE</b> PALESTINIAN TERRITORY OCCUPIED	<b>TLS</b> EAST TIMOR
<b>ALA</b> ALAND ISLANDS	<b>DOM</b> DOMINICAN REPUBLIC	<b>KWT</b> KUWAIT	<b>PYF</b> FRENCH POLYNESIA	<b>TMP</b> EAST TIMOR
<b>ALB</b> ALBANIA	<b>DZA</b> ALGERIA	<b>LAO</b> LAO PDR	<b>QAT</b> QATARPL NEPAL	<b>TON</b> TONGA
<b>AND</b> ANDORRA	<b>ECU</b> ECUADOR	<b>LBN</b> LEBANON	<b>NRU</b> NAURU	<b>TTO</b> TRINIDAD & TOBAGO
<b>ANT</b> NETHERLANDS ANTILLES	<b>EGY</b> EGYPT	<b>LBR</b> LIBERIA	<b>NZL</b> NEW ZEALAND	<b>TKM</b> TURKMENISTAN
<b>ARE</b> UNITED ARAB EMIRATES	<b>ERI</b> ERITREA	<b>LBY</b> LIBYAN ARAB JAMAHIRIYA	<b>OMN</b> OMAN	<b>TLS</b> EAST TIMOR DEMOCRATIC REP OF
<b>ARG</b> ARGENTINA	<b>ESH</b> WESTERN SAHARA	<b>LCA</b> ST LUCIA	<b>PAK</b> PAKISTAN	<b>TMP</b> EAST TIMOR
<b>ARM</b> ARMENIA	<b>ESP</b> SPAIN	<b>LIE</b> LIECHTENSTEIN	<b>PAN</b> PANAMA	<b>TON</b> TONGA
<b>ASM</b> AMERICAN SAMOA	<b>EST</b> ESTONIA	<b>LKA</b> SRI LANKA	<b>PCN</b> PITCAIRN ISLANDS	<b>TTO</b> TRINIDAD & TOBAGO
<b>ATA</b> ANTARCTICA	<b>ETH</b> ETHIOPIA	<b>LSO</b> LESOTHO	<b>PER</b> PERU	<b>TZA</b> TANZANIA UNITED REPUBLIC OF
<b>ATF</b> FRENCH SOUTHERN TERRITORIES	<b>FIN</b> FINLAND	<b>LTU</b> LITHUANIA	<b>PHL</b> PHILIPPINES	<b>UGA</b> UGANDA
<b>ATG</b> ANTIGUA AND BARBUDA	<b>FJI</b> FIJI	<b>LUX</b> LUXEMBOURG	<b>PLW</b> PALAU	<b>UKR</b> UKRAINE
<b>AUS</b> AUSTRALIA	<b>FLK</b> FALKLAND ISLANDS (MALVINAS)	<b>LVA</b> LATVIA	<b>PNG</b> PAPUA NEW GUINEA	<b>UMI</b> UNITED STATES MINOR OUTLYING
<b>AUT</b> AUSTRIA	<b>FRA</b> FRANCE	<b>MAC</b> MACAO	<b>POL</b> POLAND	<b>URY</b> URUGUAY
<b>AZE</b> AZERBAIJAN	<b>FRO</b> FAROE ISLANDS	<b>MAF</b> ST MARTIN	<b>PRI</b> PUERTO RICO	<b>USA</b> UNITED STATES OF AMERICA
<b>BDI</b> BURUNDI	<b>FSM</b> MICRONESIA	<b>MAR</b> MOROCCO	<b>PRK</b> KOREA DEM PEOPLES REPUBLIC OF	<b>UZB</b> UZBEKISTAN
<b>BEL</b> BELGIUM	<b>GAB</b> GABON	<b>MCO</b> MONACO	<b>PRT</b> PORTUGAL	<b>VAT</b> HOLY SEE (VATICAN CITY STATE)
<b>BEN</b> BENIN	<b>GBR</b> UNITED KINGDOM	<b>MDA</b> MOLDOVA REPUBLIC OF	<b>PRY</b> PARAGUAY	<b>VCT</b> ST VINCENT & THE GRENADINES
<b>BFA</b> BURKINA FASO	<b>GEO</b> GEORGIA	<b>MDG</b> MADAGASCAR	<b>PSE</b> PALESTINIAN TERRITORY OCCUPIED	<b>VEN</b> VENEZUELA
<b>BGD</b> BANGLADESH	<b>GGY</b> GUERNSEY	<b>MDV</b> MALDIVES	<b>PYF</b> FRENCH POLYNESIA	<b>VGB</b> BRITISH VIRGIN ISLANDS
<b>BGR</b> BULGARIA	<b>GHA</b> GHANA	<b>MEX</b> MEXICO	<b>QAT</b> QATAR	<b>VIR</b> US VIRGIN ISLANDS
<b>BHR</b> BAHRAIN	<b>GIB</b> GIBRALTAR	<b>MHL</b> MARSHALL ISLANDS	<b>REU</b> REUNION	<b>VNM</b> VIETNAM
<b>BHS</b> BAHAMAS	<b>GIN</b> GUINEA	<b>MKD</b> MACEDONIA FORMER YUGOSLAV REP	<b>ROU</b> ROMANIA	<b>VUT</b> VANUATU
<b>BIH</b> BOSNIA & HERZEGOVINA	<b>GLP</b> GUADELOUPE	<b>MLI</b> MALI	<b>RUS</b> RUSSIAN FEDERATION	<b>WLF</b> WALLIS AND FUTUNA
<b>BLM</b> ST BARTHELEMY	<b>GMB</b> GAMBIA	<b>MLT</b> MALTA	<b>RWA</b> RWANDA	<b>WSM</b> SAMOA
<b>BLR</b> BELARUS	<b>GNB</b> GUINEA-BISSAU	<b>MMR</b> MYANMAR	<b>SAU</b> SAUDI ARABIA KINGDOM OF	<b>YEM</b> YEMEN
<b>BLZ</b> BELIZE	<b>GNQ</b> EQUATORIAL GUINEA	<b>MNE</b> MONTENEGRO	<b>SCG</b> SERBIA AND MONTENEGRO	<b>YMD</b> YEMEN DEMOCRATIC
<b>BMU</b> BERMUDA	<b>GRC</b> GREECE	<b>MNG</b> MONGOLIA	<b>SDN</b> SUDAN	<b>YUG</b> YUGOSLAVIA SOCIALIST FED REP
<b>BOL</b> BOLIVIA	<b>GRD</b> GRENADA	<b>MNP</b> NORTHERN MARIANA ISLANDS	<b>SEN</b> SENEGAL	<b>ZAF</b> SOUTH AFRICA
<b>BRA</b> BRAZIL	<b>GRJ</b> GREENLAND	<b>MOZ</b> MOZAMBIQUE	<b>SGP</b> SINGAPORE	<b>ZAR</b> ZAIRE
<b>BRB</b> BARBADOS	<b>GTM</b> GUATEMALA	<b>MRT</b> MAURITANIA	<b>SGS</b> STH GEORGIA & STH SANDWICH ISL	<b>ZMB</b> ZAMBIA
<b>BRN</b> BRUNEI DARUSSALAM	<b>GUF</b> FRENCH GUIANA	<b>MSR</b> MONTSERRAT	<b>SHN</b> ST HELENA	<b>ZWE</b> ZIMBABWE
<b>BTN</b> BHUTAN	<b>GUM</b> GUAM	<b>MTQ</b> MARTINIQUE	<b>SJM</b> SVALBARD & JAN MAYEN	
<b>BUR</b> BURMA	<b>GUY</b> GUYANA	<b>MUS</b> MAURITIUS	<b>SLB</b> SOLOMON ISLANDS	
<b>BVT</b> BOUVET ISLAND	<b>HKG</b> HONG KONG	<b>MWI</b> MALAWI	<b>SLE</b> SIERRA LEONE	
<b>BWA</b> BOTSWANA	<b>HMD</b> HEARD AND MCDONALD ISLANDS	<b>MYS</b> MALAYSIA	<b>SLV</b> EL SALVADOR	
<b>BLR</b> BELARUS	<b>HND</b> HONDURAS	<b>MYT</b> MAYOTTE	<b>SMR</b> SAN MARINO	
<b>CAF</b> CENTRAL AFRICAN REPUBLIC	<b>HRV</b> CROATIA	<b>NAM</b> NAMIBIA	<b>SOM</b> SOMALIA	
<b>CAN</b> CANADA	<b>HTI</b> HAITI	<b>NCL</b> NEW CALEDONIA	<b>SPM</b> ST PIERRE AND MIQUELON	
<b>CCK</b> COCOS (KEELING) ISLANDS	<b>HUN</b> HUNGARY	<b>NER</b> NIGER	<b>SRB</b> SERBIA	
<b>CHE</b> SWITZERLAND	<b>IDN</b> INDONESIA	<b>NFK</b> NORFOLK ISLAND	<b>STP</b> SAO TOME AND PRINCIPE	
<b>CHL</b> CHILE	<b>IMN</b> ISLE OF MAN	<b>NGA</b> NIGERIA	<b>SUR</b> SURINAME	
<b>CHN</b> CHINA	<b>IND</b> INDIA	<b>NIC</b> NICARAGUA	<b>SVK</b> SLOVAKIA	
<b>CIV</b> COTE D'IVOIRE	<b>IOT</b> BRITISH INDIAN OCEAN TERRITORY	<b>NIU</b> NIUE	<b>SVN</b> SLOVENIA	
<b>CMR</b> CAMEROON	<b>IRL</b> IRELAND	<b>NLD</b> NETHERLANDS	<b>SWE</b> SWEDEN	
<b>COD</b> CONGO DEMOCRATIC REPUBLIC OF	<b>IRN</b> IRAN ISLAMIC REPUBLIC OF	<b>NOR</b> NORWAY	<b>SWZ</b> SWAZILAND	
<b>COG</b> CONGO PEOPLES REPUBLIC OF	<b>IRQ</b> IRAQ	<b>PL</b> NEPAL	<b>SYC</b> SEYCHELLES	
<b>COK</b> COOK ISLANDS COL COLOMBIA	<b>ISL</b> ICELAND	<b>NRU</b> NAURU	<b>SYR</b> SYRIAN ARAB REPUBLIC	
<b>COM</b> COMOROS	<b>ISM</b> BRITISH ISLES	<b>NZL</b> NEW ZEALAND	<b>TCA</b> TURKS AND CAICOS ISLANDS	
<b>CPV</b> CAPE VERDE	<b>ISR</b> ISRAEL	<b>OMN</b> OMAN	<b>TCO</b> CHAD	
<b>CRI</b> COSTA RICA	<b>ITA</b> ITALY	<b>PAK</b> PAKISTAN	<b>TGO</b> TOGO	
<b>CUB</b> CUBA	<b>JAM</b> JAMAICA	<b>PAN</b> PANAMA	<b>THA</b> THAILAND	
<b>CXR</b> CHRISTMAS ISLAND	<b>JEY</b> JERSEY	<b>PCN</b> PITCAIRN ISLANDS		
<b>CYM</b> CAYMAN ISLANDS	<b>JOR</b> JORDAN	<b>PER</b> PERU		
<b>CYP</b> CYPRUS	<b>JPN</b> JAPAN	<b>PHL</b> PHILIPPINES		
<b>CZE</b> CZECH REPUBLIC	<b>KAZ</b> KAZAKHSTAN	<b>PLW</b> PALAU		
	<b>KEN</b> KENYA	<b>PNG</b> PAPUA NEW GUINEA		
	<b>KGZ</b> KYRGYZSTAN	<b>POL</b> POLAND		
		<b>PRI</b> PUERTO RICO		