

15 October 2021

Dear Shareholder

Re: Notice of Annual General Meeting on Tuesday, 16 November 2021 at 11.00am (AEDT)

Notice is hereby given that the Annual General Meeting of Shareholders of Capitol Health Limited (“Company”) will be held virtually via live webcast at 11.00am (AEDT) on Tuesday, 16 November 2021 (“Annual General Meeting”, “AGM” or “Meeting”).

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, the Company will not be despatching physical copies of the Notice of Meeting. Instead, the Notice of Meeting and accompanying explanatory statement (“Meeting Materials”) are being made available to shareholders electronically. This means that:

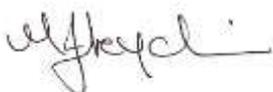
- You can access the Meeting Materials online at the Company’s website <https://www.capitolhealth.com.au/> or at the Company’s share registry’s online voting site, Investor Vote at www.investorvote.com.au.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements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

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

If you are unable to access the Meeting Materials online please contact our share registry, Computershare, on <https://www.computershare.com/au> or by phone on 1300 850 505 (within Australia) between 8.30am and 5.00pm Monday to Friday, to obtain a copy.

Details of how to register to attend the Meeting are contained in the Meeting Materials. Any shareholders who wish to attend the Meeting should monitor the Company’s website and its ASX announcements for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at asx.com.au (stock code: CAJ) and on its website at <https://www.capitolhealth.com.au/>. Shareholders are encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Yours sincerely,



Melanie Leydin
Company Secretary

CAPITOLHEALTH LIMITED

ABN 84 117 391 812

Notice of Annual General Meeting **Explanatory Statement and Proxy Form**

Date of Meeting:
Tuesday, 16 November 2021

Time of Meeting:
11.00AM (AEDT)

The Meeting will be held via live webcast at:
<https://web.lumiagm.com/312855046>

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

CAPITOL HEALTH LIMITED

ABN 84 117 391 812

Registered office: Level 2, 288 Victoria Parade, East Melbourne, VIC 3002

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM” or “Meeting”) of shareholders of Capitol Health Limited (the “Company” or “CAJ”) will be held virtually via live webcast on Tuesday, 16 November 2021 at 11.00am (AEDT).

The technology used to hold the Meeting virtually will provide CAJ Shareholders with a reasonable opportunity to ask questions or make comments. Voting at the Meeting is occurring by way of a poll rather than a show of hands, each person entitled to vote is to be given the opportunity to vote in real time, and this notice of meeting includes information about how shareholders can participate in the Meeting. CAJ Shareholders attending virtually will be taken for all purposes to be in attendance as if they were physically there.

Shareholders can attend and participate in the virtual Meeting via the following link:

<https://web.lumiagm.com/312855046>

Further information on how to participate virtually is set out below.

Shareholders are strongly encouraged to submit their proxies as early as possible. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by mail or email.

If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, CAJ will make further information available through the ASX website at asx.com.au (ASX: CAJ) and on its website. Shareholders should monitor CAJ’s website and its ASX announcements for any updates.

ATTENDING AND PARTICIPATING IN THE MEETING VIRTUALLY

Registration:

Registration opens at 10.00am on Tuesday, 16 November 2021

Attend via:

<https://web.lumiagm.com/312855046>

Shareholders can access the live webcast at <https://web.lumiagm.com> (Meeting ID: 312855046). If you choose to participate in this way, you will be able to view the Meeting live, lodge a direct vote in real time and ask questions online. Shareholders participating in the Meeting will be able to cast direct votes between the commencement of the Meeting and the closure of voting as announced by the Chair during the Meeting. Instructions on how to access the Meeting and cast your votes can be found at www.computershare.com.au/virtualmeetingguide.

If you are not able to attend the Meeting to vote, the Board encourages you to lodge your votes online at www.investorvote.com.au. You will require the control number (135749), your HIN/SRN and postcode/domicile code to access online voting.

CAJ is happy to accept and answer questions submitted prior to the Meeting by email to investors@capitolhealth.com.au. CAJ will address relevant questions during the Meeting or by written response after the Meeting (subject to the discretion of CAJ not to respond to unreasonable and / or offensive questions).

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, includes defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement, and the Proxy Form in their entirety.

ORDINARY BUSINESS

Financial and Other Reports – Year Ended 30 June 2021

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 2021.

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

Resolution 1 – Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2021 be adopted."

Resolution 2 – Election of Ms Laura McBain as a Director of the Company

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

"That, for the purposes of Section 201H(3) of the Corporations Act 2001 (Cth), and for all other purposes, Ms Laura McBain, having been appointed to the Board of Directors on 1 July 2021 and retiring at this Meeting in accordance with the Constitution of the Company, being eligible for election, be elected as a Director of the Company."

Resolution 3 – Election of Mr Kevin Kai-Chung Shaw as a Director of the Company

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

"That, for the purposes of Section 201H(3) of the Corporations Act 2001 (Cth), and for all other purposes, Mr Kevin Kai-Chung Shaw, having been appointed to the Board of Directors on 10 September 2021 and retiring at this Meeting in accordance with the Constitution of the Company, being eligible for election, be elected as a Director of the Company."

Resolution 4 – Re-election of Mr Andrew Demetriou as a Director of the Company

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

"That Mr Andrew Demetriou, who retires by rotation in accordance with clause 13.2 of the Constitution, and who offers himself for re-election, be re-elected as a Director of the Company."

Resolution 5 – Ratification of Prior Issue of Shares to the vendors of Direct Radiology

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

"That the issue of 2,347,752 Shares on 1 February 2021 to the vendors of Direct Radiology, at a deemed issue price of \$0.2769 (27.69 cents) per share, as described in the Explanatory Statement which accompanies and forms part of this Notice, is approved under and for the purpose of Listing Rule 7.4 and for all other purposes."

Resolution 6 – Renewal of Capitol Health Limited Employee Incentive Plan

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

“That, under and for the purposes of ASX Listing Rule 7.2 Exception 13(b), and for all other purposes including section 259B and 260C of the Corporations Act 2001 (Cth), approval is given for the Company to adopt an employee incentive plan, being the proposed “Employee Incentive Plan Rules” (EIP), with the terms as set out or described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Resolution 7 – Approval to Issue 1,984,127 Performance Rights to Mr Justin Walter (or his nominee)

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

“That the grant of 1,984,127 Performance Rights to Mr Justin Walter, Managing Director and Chief Executive Officer of the Company, (or his nominee) as Mr Walter’s FY22 Long Term Incentive under the Employee Incentive Plan and on the terms described in the Explanatory Statement is approved under and for the purpose of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes.”

By order of the Board



Melanie Leydin
Company Secretary
15 October 2021

Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each Shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a Shareholder is a company, it must execute the appointment of proxy under its common seal or otherwise in accordance with its Constitution or the Corporations Act.
 - e. Where a Shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
 - f. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 11.00am (AEDT) on Sunday, 14 November 2021. Any proxy received after that time will not be valid for the scheduled Meeting.
4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or share registry in advance of the Meeting.

5. Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this Resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this Resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the KMP voter is the Chair of the Meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or the consolidated entity.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolutions 2, 3 and 4

There are no voting exclusions on any of these Resolutions.

Resolution 5

The Company will disregard any votes cast in favour on this Resolution by any person who participated in the issue of shares and any associates of those persons, or any person who is a counterparty to the agreement being approved.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- a. 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
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the EIP and any associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) 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.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on this Resolution – see **Restriction on KMPs voting undirected proxies below**.

Resolution 7

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's Equity Incentive Plan, being Mr Justin Walter; or
- (b) an associate of that person.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. 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
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on this Resolution – see **Restriction on KMPs voting undirected proxies below**.

6. Restrictions on KMPs voting undirected proxies:

A vote must not be cast as proxy on any of Resolutions 1, 6 or 7 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on behalf of a person who is not a Restricted Voter on any of Resolutions 1, 6 or 7 as a proxy if:

- (a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- (b) The Chair is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution(s) and expressly authorises the Chair to exercise the proxy even though the Resolution(s) is or are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolutions 1, 6 or 7 the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolutions 1, 6 or 7. In exceptional circumstances, the Chair may change his or her voting intention on the Resolutions, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolutions or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

7. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

ORDINARY BUSINESS

Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for Capitol Health Limited for the year ended 30 June 2021 at the Meeting.

These reports are set out in the 2021 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2021 Annual Report with this Notice of Annual General Meeting. In accordance with section 314(1AA)(c) of the Corporations Act, the Company advises the 2021 Annual Report is available from the Company's website (www.capitolhealth.com.au).

Shareholders will be given reasonable opportunity at the Meeting to ask questions and make comments on the Financial Report, the Directors' Report, and the Auditor's Report.

Resolution 1 – Adoption of Remuneration Report

Background

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

The Remuneration Report is set out in the Directors' Report in the Company's 2021 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

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

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

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

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

Voting Exclusions

A voting exclusion statement is included in the Notice.

Board Recommendation

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

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 2 – Election of Ms Laura McBain as Director

Background

In accordance with ASX Listing Rule 14.4 and Clause 13.4 of the Company's Constitution, Ms Laura McBain will retire at the Annual General Meeting and, being eligible, will offer herself for election.

Laura was the CEO and Managing Director of ASX listed Bellamys Australia Ltd from 2014 to 2017, prior to which she was CEO / General Manager from 2007. During her years with Bellamy's, Laura oversaw significant change, innovation and business growth including expansion into South East Asia and China. Prior to joining Bellamys, Laura practiced as an accountant in both Sydney and Tasmania. Laura was also the Managing Director of Maggie Beer Holdings from 2017 to 2019 and former Non-Executive Director of Export Finance Australia from 2014 to 2020. She is currently a Strategic Consultant for the food and formula industry, and a Non-Executive Director for ASX listed Lark Distilling Ltd (ASX: LRK).

Laura holds a Bachelor of Commerce, in 2013 completed the IMD Leadership Challenge and completed the IESE, Wharton and CEIBS Global executive program in 2017. In 2013, Laura was named Telstra Tasmanian Business Woman of the Year and went on to be named the Telstra Australian Business Woman of the Year for 2013 (Private and Corporate).

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board (other than Ms McBain abstaining) recommends Shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 3 – Election of Mr Kevin Kai-Chung Shaw as Director

Background

In accordance with ASX Listing Rule 14.4 and Clause 13.4 of the Company's Constitution, Mr Kevin Kai-Chung Shaw will retire at the Annual General Meeting and being eligible, will offer himself for election.

Dr Kevin Shaw is a highly qualified radiologist with subspecialty training in neuroradiology and musculoskeletal imaging. He is the current Director of Radiology and Nuclear Medicine at the University Hospital, Barwon Health. He obtained his medical degree from Monash University in 2006 and completed his radiology training at Royal Melbourne Hospital.

Dr Shaw is a Clinical Associate Professor at Deakin Medical School and holds an honorary position with University of Melbourne where he participates in the Victorian radiology registrar teaching program. He is a past examiner for the Royal Australian and New Zealand College of Radiologists (RANZCR) and previously sat on the College's Anatomy Exam Review Panel. He has been an MRI Clinical Reviewer for the College since 2014. Dr Shaw currently sits on the Barwon Health, Medical Advisory Committee, Technology / Clinical Practice Committee and Mortality Committee. He is a councillor for Australian Medical Association Victoria as the State Representative for RANZCR.

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board (other than Mr Shaw abstaining) recommends Shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 4 – Re-Election of Mr Andrew Demetriou as Director

Background

Clause 13.2 of the Constitution requires that at every Annual General Meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. Mr Andrew Demetriou is retiring at this Meeting under that clause.

Mr Demetriou was Chief Executive Officer of the Australian Football League from 2003 until June 2014. He was the Managing Director of the Ruthinium Group, a dental implant business, and he currently remains a board member. Andrew has also served as Non-Executive Chairman of the Baxter Group, is a former Chairman of the Australian Multicultural Advisory Council and served 2 years on the Referendum Council on behalf of the Federal Government for Indigenous Recognition in the Constitution. He was also the Chairman of Board of Management, Cox Architecture until December 2020, and was a Director of Crown Resorts Limited (ASX:CWN) from 2015 to February 2021.

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board (other than Mr Demetriou) recommends Shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 5 – Ratification of Prior Issue of Shares to the vendors of Direct Radiology

Background

The Company is seeking Shareholder approval pursuant to ASX Listing Rule 7.4 to ratify the issue on 1 February 2021 of 2,347,752 Shares (**Direct Radiology Shares**), at a deemed issue price of \$0.2769 (27.69 cents) per Share, to the vendors of Direct Radiology (or their nominee) as part consideration in relation to the Direct Radiology acquisition announcement of 1 February 2021.

The Direct Radiology Shares were issued without Shareholder approval from the Company's 15% placement capacity pursuant to Listing Rule 7.1. Shareholder approval of the issue of the Direct Radiology Shares is sought under Listing Rule 7.4.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. The issue of the Direct Radiology Shares was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder ratification of the issue pursuant to ASX Listing Rule 7.4 so as to refresh its capacity to make further issues without Shareholder approval under Listing Rule 7.1

If this Resolution is approved, the issue of Direct Radiology Shares may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the Direct Radiology Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution is not approved, the prior issue of the Direct Radiology Shares will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore have the Direct Radiology Shares as issued from its 15% capacity for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under Listing Rule 7.1.

Information provided in accordance with Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval of the issue of the Direct Radiology Shares pursuant to ASX Listing Rule 7.4:

- (a) The Direct Radiology Shares were issued to:
- Complete Radiology Pty Ltd (as trustee for Tan Ventures Trust);
 - Lasberry Pty Ltd (as trustee for Harmon Discretionary Trust);
 - Sumrav Pty Ltd (as trustee for Sumrav Family Trust); and
 - Brandon Smyth Park Pty Ltd (as trustee for Brandon Smyth Family Trustee).
- (b) The total number of fully paid ordinary shares in the Company that were issued was 2,347,752.
- (c) The Direct Radiology Shares were issued on 1 February 2021.
- (d) The Direct Radiology Shares were issued at an issue price of \$0.2769 (27.69 cents) per Share.
- (e) The Direct Radiology Shares were issued as part consideration for the acquisition of Direct Radiology. No funds have been raised as part of the issue.
- (f) Summary of the material terms under which the Direct Radiology Shares were issued are:
- Initial cash purchase price pre-transaction costs of \$12 million, of which \$9 million was for the existing clinics at Fairfield and Monbulk, and \$3 million for the greenfield clinic at South Melbourne.
 - 2,347,752 Direct Radiology Shares have been issued as part of the earn out payable, held in voluntary escrow until 31 August 2023, with the Direct Radiology Shares to be released subject to achieving \$10.6 million of revenue in FY23 and ongoing employment of radiologists until the escrow release date.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Board Recommendation

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

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 6 – Renewal of Capitol Health Limited Employee Incentive Plan

Background

Shareholders approved the EIP on 19 November 2018 which expired for Listing Rule purposes after three years from the date of approval.

The Board is committed to incentivising and retaining the Company's directors, employees and consultants in a manner which promotes alignment of their interests with shareholder interests. Additionally, the Board considers equity-based compensation an integral component of the Company's remuneration platform as it allows it to be fiscally prudent by conserving cash resources while still enabling it to offer market-competitive remuneration arrangements.

The EIP enables employees, directors or such other persons as the Board should deem fit, to receive shares, options to acquire shares in the Company, other securities, or rights or interests such as performance rights.

No directors or their associates can or will be issued shares, options or other securities or rights under the EIP unless shareholder approval of specific issues to them is obtained. Under the EIP the Company may acquire shares on market to be held on trust for directors or their associates.

Approval is sought to issue up to 52 million equity securities (shares, options or other rights including performance rights each conditionally entitling the applicable holder to one fully paid ordinary shares upon exercise or achievement of the applicable milestone). Any additional issues under the EIP above that number would require further shareholder approval, unless the total number of securities issued does not exceed 5% of the then issued shares of the Company.

The objects of the Plan are to:

- provide eligible employees with an additional incentive to work to improve the performance of the Company;
- attract and retain eligible employees essential for the continued growth and development of the Company;
- promote and foster loyalty and support amongst eligible employees for the benefit of the Company;
- enhance the relationship between the Company and eligible employees for the long-term mutual benefit of all parties; and
- provide eligible employees with the opportunity to acquire shares, options, or rights in the Company, in accordance with the EIP.

ASX Listing Rules

ASX Listing Rule 7.1 requires that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 exception 13(b) provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years after shareholder approval of the scheme. The Company therefore seeks approval of the EIP under ASX Listing Rule 7.2 Exception 13(b) so that issues of securities under the EIP do not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

Since 19 November 2018, the date on which Shareholders approved the previous EIP, the Company has issued 20,588,252 securities under the EIP, of which 7,096,147 were Unlisted Performance Rights and 13,492,105 were Unlisted Options. As at 8 October 2021, there was 27,742,105 Unlisted Options and 5,351,382 Unlisted Performance Rights on issue pursuant to the EIP.

A summary of the key terms of the EIP is set out in **Annexure A** and a copy of the EIP Rules is available upon request from the Company.

In the Board's opinion, this Resolution will assist the Company in managing its capital requirements efficiently by ensuring that the Company's annual issue limit is not diminished by issues of shares under the EIP and capacity is available for capital management initiatives and acquisitions, if necessary and appropriate.

Corporations Act

Approval is also sought for the purposes of sections 259B and 260C of the Corporations Act 2001 (Cth).

The Plan provides for the Company to take security over shares issued under the Plan, and to place restrictions on transfer and voting which may also constitute taking security over its own shares. Section 259B(1) of the Corporations Act provides that a company must not take security over shares in itself except as permitted by the Corporations Act. Section 259B(2) provides that the Company may take security over shares in itself under an employee share scheme that has been approved by shareholders at a general meeting.

Under section 260C(4) of the Corporations Act, a company may financially assist a person to acquire its shares if the financial assistance is given under an employee share scheme that is approved by shareholders at a general meeting. The Plan provides that the Company may make loans in respect of shares or other securities issued or to be acquired under the Plan and/or acquire shares or other securities to be held on trust for eligible participants. This may be considered to be the Company providing financial assistance for the acquisition of its own shares or other securities.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Board Recommendation

As the Directors of the Company are excluded from voting pursuant to the Listing Rules, they make no recommendation to the shareholders in respect of the EIP.

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 7 – Approval to Issue 1,984,127 Performance Rights to Mr Justin Walter (or his nominee)

Background

This Resolution seeks Shareholder approval for 1,984,127 Performance Rights (**Performance Rights**) to be granted to Mr Justin Walter (or his nominee) as part of his revised overall remuneration package as Managing Director and Chief Executive Officer.

Performance Rights are proposed to be granted to Mr Justin Walter to align his interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares) to Mr Justin Walter is a long-term incentive if pre-agreed performance and service conditions (**Vesting Conditions**) are achieved over a three-year performance period.

The intention is to structure executive compensation such that, depending on seniority, a significant proportion of total remuneration is 'at risk'. It should be recognised that the achievement of these pre-agreed Vesting Conditions will be to the benefit of all Shareholders, and the conversion of the Performance Rights can only occur if these benefits are realised.

If this Resolution is passed, the Performance Rights will be issued to Mr Justin Walter (or his nominee).

If this Resolution is not passed, the Performance Rights will not be issued to Mr Justin Walter (or his nominee).

Terms of Performance Rights

The 1,984,127 Performance Rights proposed to be issued to Mr Walter are worth approximately \$700,000. The terms reflect a level of remuneration which is considered by the Board to be appropriate for Mr Walter's role given the current stage of the Company's development while providing an incentive to retain and adequately motivate Mr Walter.

The full terms of the Award are subject to the terms of the Capitol Health Limited Employee Incentive Plan (**EIP**) and to the extent of any consistency between the terms of the EIP and the Employment Agreement of Mr Walter, the terms of the Employment Agreement will prevail. The Performance Rights proposed to be issued will have a three-year performance period from 1 July 2021 to 30 June 2024 (**Performance Period**).

The Vesting Date of Performance Rights to be granted to Mr Walter is the earlier of the release of the Company's audited Financial Report with the ASX or 1 October 2024.

There is no dividend or voting rights with respect to the Performance Rights until they are exercised.

Vesting Conditions

The Performance Rights will vest in accordance with the achievement of the following Vesting Conditions:

Vesting Condition 1	Vesting Condition 2
50% of the Performance Rights (Tranche 1)	50% of the Performance Rights (Tranche 2)
Total Shareholder Return (TSR) for the relevant Performance Period are met (TSR Hurdle). If a minimum TSR increment of 10% is not achieved over the vesting period, no performance rights will be vested.	Earnings per Share growth (EPS) for the relevant Performance Period are met (EPS Hurdle). If a minimum of 10% EPS growth is not achieved over the vesting period, no performance rights will be vested.

TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

EPS is calculated by taking the Company's reported net profit after tax and divided by the reported weighted average shares on issue during each year.

The TSR Hurdle and the EPS Hurdle have been chosen by the Board to focus management attention on three-year strategic and financial objectives, as well as Shareholder alignment.

Vesting Condition 1 – TSR Hurdle

The achievement of the TSR Hurdle is determined by reference to the increase in CAJ share price plus dividends reinvested over the three-year Performance Period compared to a suitable comparator group, and linked to the following vesting scale:

CAJ TSR performance compared to relevant comparator group	Percentage of Tranche 1 Performance Rights to vest
<50 th percentile	No vesting
>=50 th percentile to 74 th percentile	Pro-rata straight line vesting between 50% and 74%
>=75 th percentile	100% vesting
<i>Vesting is also conditional on a minimum of TSR increment of 10% being achieved over the vesting period. If the minimum TSR increment is not achieved, the Performance Rights will not be vested.</i>	

For the purposes of calculating the TSR Hurdle, the volume weighted average price (**VWAP**) of fully paid ordinary shares of each comparator company and of CAJ in the one-month preceding the start date compared to the VWAP of fully paid ordinary shares in the one month preceding the end date of the relevant Performance Period, will be used in calculating TSR over the three-year period.

Vesting Condition 2 – EPS Hurdle

The achievement of the EPS Hurdle is determined by reference to the average growth in EPS (transaction costs to be included in year 1 and year 2 only, not to be included in year 3. EPS calculations will also exclude Enlitic's performance on the Group) over the three-year Performance Period. The vesting scale is as follows:

CAJ EPS growth	Percentage of Tranche 2 Performance Rights to vest
<10%	No vesting
≥ 10% to <45%	Pro-rata vesting (straight line)
≥ 45%	100% vesting

The EPS Hurdle base for the Performance Rights is 1.52 cents per Share, being the Company's 2021 financial year earnings per share (excluding Enlitic's performance on the Group).

The vesting of Performance Rights is also subject to the continuing employment of Mr Walter. Unvested Performance Rights may, in certain circumstances, vest early in accordance with the terms of the EIP Rules, and any Leaver's Policy that may apply from time to time, as approved by the Board. Performance Rights will generally lapse on Mr Walter's resignation or dismissal.

If the Vesting Conditions are not satisfied by the Vesting Date the entitlement to Shares will lapse unless:

- (a) the Board decides exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions; or
- (b) a Change of Control Event occurs (as defined in the EIP Rules).

There is no ability to re-test whether the TSR or EPS Hurdles have been satisfied after the Performance Period has ended.

Comparator Peer Group

Company	Ticker	Company	Ticker
Healius Limited	HLS	SomnoMed Limited	SOM
Regis Healthcare Limited	REG	1300SMILES Limited	ONT
Sigma Healthcare Limited	SIG	Paragon Care Limited	PGC
Nanosonics Limited	NAN	Osprey Medical, Inc	OSP
Estia Health Limited	EHE	CogState Limited	CGS
Australian Pharmaceutical Industries Limited	API	G Medical Innovations Holdings Limited	GMV
SDI Limited	SDI	Ellex Medical Lasers Limited	EYE
Japara Healthcare Limited	JHC	Volpara Health Technologies Limited	VHT
Virtus Health Limited	VRT	Visioneering Technologies, Inc	VTI
Pacific Smiles Group Limited	PSQ	Apiam Animal Health Limited	AHX
ImpediMed Limited	IPD	Compumedics Limited	CMP
Integral Diagnostics Limited	IDX		

The Comparator Peer Group, which includes companies from ASX 300 Healthcare index, is selected on the basis that it presents the best fit for the Company over the coming years and is an established and 'live' index. The Comparator Peer Group is reviewed for each tranche of performance rights to ensure the Company maintains ongoing relevance.

Additional Information

ASX Listing Rule 10.14 requires that the Company not permit a Director or their associates to acquire securities under an "employee incentive scheme" without Shareholder approval (unless an exception applies). The Board is therefore seeking Shareholder approval to grant Performance Rights to Mr Walter on the terms set out above and under the EIP. The EIP constitutes an "employee incentive scheme" under the ASX Listing Rules.

Information provided in accordance with Listing Rule 10.15

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 10.14:

- (a) the related party is Mr Walter;
- (b) Mr Walter falls within ASX Listing Rule 10.14.1 as a Director of the Company;
- (c) the maximum number of Performance Rights is 1,984,127, subject to the achievement of performance hurdles;
- (d) Mr Walter's current remuneration package is as follows:

Director	Nature	Remuneration Package Details
Mr Justin Walter	Managing Director & Chief Executive Officer	<p>Fixed remuneration of \$700,000 per annum, inclusive of superannuation in line with the <i>Superannuation Guarantee (Administration) Act 1992</i> (Cth).</p> <p>In FY22 Mr Walter will be entitled to a potential short-term incentive (STI) of \$525,000, representing 75% of his base remuneration, with KPI's to be determined by the Board. He also has the opportunity for an additional 25% of his base remuneration should his key outperformance indicators be achieved.</p> <p>Mr Walter will also be entitled to a potential long-term incentive (LTI) for FY22 of up to \$700,000, representing 100% of his base remuneration, subject to Shareholder approval.</p>

In addition, it is noted that Mr Walter's security interests in the Company are currently (not including any potential grant of Performance Rights, the subject of this Resolution) 2,385,280 and 2,966,102 Performance Rights, vesting on satisfaction of certain performance hurdles over a three-year period, respectively expiring 1 October 2022 and 1 October 2023.

- (e) the total number of securities previously issued to Mr Walter under the EIP are 5,351,382 unlisted Performance Rights at nil acquisition price;
- (f) the Performance Rights will have a three-year performance period from 1 July 2021 to 30 June 2024. The total value the entity attributes to these securities is \$700,000. The value attributed to each of the Performance Rights is \$0.3528 (35.28 cents) being the value of shares as at a 30-day VWAP traded on the ASX and Chi-X over the 30 trading days up to and including 30 June 2021. Subject to the satisfaction of the vesting and exercise conditions described above, Mr Walter will receive one Share in the Company for each Performance Right exercised;
- (g) the Company expects to issue the Performance Rights within one month after the date of the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- (h) the Performance Rights will be granted to Mr Walter at nil issue price;
- (i) the material terms of the plan can be found in Annexure A to this explanatory statement. To the extent that there is any discrepancy between the terms of the plan and the Employment Agreement of Mr Walter, the terms of the Employment Agreement will prevail.
- (j) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Walter;
- (k) details of any Performance Rights issued under the EIP will be published in each Annual Report of the Company relating to a period in which the Performance Rights have been issued in addition to a statement that the securities were issued under ASX Listing Rule 10.14;
- (l) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the EIP after this Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14; and
- (m) if approval is given under ASX Listing Rule 10.14, approval will not be sought under ASX Listing Rule 7.1.

Termination Benefits approval – sections 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Walter's unvested Performance Rights in the event Mr Walter ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Mr Walter ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Performance Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Walter's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2024 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Performance Rights given in connection with Mr Walter ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Performance Rights held by Mr Walter prior to cessation of his employment;
- the date when, and circumstances in which, Mr Walter ceases employment;
- whether performance hurdles are waived or (if not waived) met, and the number of Performance Rights that

vest (which could be all of the Performance Rights held by Mr Walter); and

- the market price of the Company's shares on the ASX on the date Shares are provided to Mr Walter upon vesting of the Performance Rights.

Voting Exclusions

A voting exclusion statement is included in the Notice.

Board Recommendation

The Board (with Mr Walter abstaining) recommends Shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

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

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

AEDT means Australian Eastern Daylight Time.

AGM, Annual General Meeting or Meeting means the 2021 Annual General Meeting convened by the Notice.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company or **Capitol Health** means Capitol Health Limited (ACN 117 391 812).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel means those persons details of whose remuneration are included in the Remuneration Report having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (executive or otherwise), as defined in the Corporations Act.

Listing Rules means the official listing rules of ASX.

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

Notice means this notice of the 2021 Annual General Meeting.

Option means a right to acquire a Share, subject to conditions specified by the Board.

Performance Right means a right to acquire a Share, subject to conditions specified by the Board.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Rights means a right to acquire a Share, subject to conditions specified by the Board.

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

Shareholder means a member of the Company, as defined in the Constitution of the Company.

VWAP means the volume weighted average price.

Annexure A

Capitol Health Limited Employee Incentive Plan (EIP or Plan)

The following is a summary of the key terms of the Plan:

TERM	DETAIL
Purpose	The Plan will operate to allow the Board to grant equity awards in the form of Awards to participating individuals, delivering an equity incentive component of remuneration on the terms determined by the Board from time to time.
Awards	<p>Each Award is a right to acquire one ordinary share in the Company (or receive an equivalent cash amount) upon satisfaction of the vesting conditions, as determined by the Board, and valid exercise of the Award.</p> <p>No exercise price will apply in respect of a grant of performance rights and the Board may specify circumstances or an event upon which a performance right may be automatically exercised.</p> <p>For a grant of options, an exercise price will apply, as determined by the Board and, ordinarily, automatic exercise will not apply.</p> <p>Each grant will specify the minimum and maximum number or value of shares in the Company that the participant may receive upon vesting and exercise of Awards.</p> <p>Unless the Board determines otherwise, no consideration is payable by the participant for a grant of Awards under the Plan.</p>
Eligible participants	<p>The Board may grant Awards to selected eligible participants.</p> <p>Eligible participants may include Directors, full-time and part-time employees, and any other person the Board considers appropriate.</p>
Allocation of shares upon vesting and exercise	<p>The Company may issue new shares or procure the acquisition of shares on-market to satisfy vested Awards upon exercise.</p> <p>The Company may also operate an employee share trust to acquire, hold or provide shares for the purposes of the Plan.</p> <p>Unless the Board determines, no trading restriction will be placed on shares allocated following vesting and exercise of Awards, subject to the Company's Securities Trading Policy.</p>
Vesting conditions and performance period	<p>The Board may determine vesting conditions, which may include performance and/or service conditions that must be satisfied before Awards vest. The vesting conditions will be measured and tested over a performance period determined by the Board.</p> <p>Note that the Plan provides the Board with the ability to review and adjust the vesting conditions, targets and vesting schedules (as applicable) on a grant-by-grant basis, ensuring the conditions remain appropriate for the particular grant.</p>
Other terms	The Board may determine the terms of the Awards, including the exercise price in respect of options, any exercise restrictions as well as any other vesting or lapsing conditions.
Entitlements	<p>Unless the Board determines otherwise, Awards do not carry any dividend or voting rights prior to vesting and exercise.</p> <p>The Awards are non-transferable, except in limited circumstances (such as death) or with the consent of the Board.</p>
Cessation of employment / engagement	<p>Where a participant ceases to be an employee (or otherwise engaged) by the Company (or any subsidiary of the Company) prior to the end of the applicable performance period, the treatment of Awards will depend on the circumstances of cessation.</p> <p>Generally, where a participant ceases due to resignation or termination for cause (including gross misconduct), all unvested Awards will lapse at cessation.</p> <p>Where the individual ceases for any other reason prior to the end of the relevant performance period, the participant's unvested Awards will continue "on-foot" and will be tested at the end of the applicable performance period, vesting only to the extent that any performance conditions have been satisfied (ignoring any service related conditions).</p>

TERM	DETAIL
	<p>However, the Board has a broad discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Awards may vest and be exercised either at cessation or at the end of the original performance period, or that some or all of the Awards will lapse).</p> <p>In making this determination, the Board may have regard to any factors the Board considers relevant, including the performance period elapsed and the extent to which the vesting conditions have been satisfied.</p>
Change of control	<p>Where a change of control event occurs prior to vesting of Awards, a pro-rata number of the Awards will generally vest based on the performance period elapsed and the extent to which the vesting conditions have been met at the time of the event.</p> <p>However, the Board has discretion to determine a different treatment, either at the time of grant or prior to the change of control event, including that another number of unvested Awards should vest or be subject to substitute or varied vesting conditions and/or periods.</p> <p>The Company also has specific rules in relation to divestments of a “material” part of the business or asset, with the Board having the discretion to determine an appropriate treatment for participants in the event of such a divestment.</p>
Claw-back	<p>In the event of fraud, dishonesty or material misstatement of financial statements (or other specific circumstances described in the Plan), the Board may make a determination in respect of the Awards, or Shares allocated following exercise, to ensure that no unfair benefit is obtained by a participant (including lapse of unvested Awards).</p>
Adjustment of number of Awards granted	<p>The Board has discretion to adjust the number of Awards granted in the event of a variation of capital or other corporate transaction, to ensure that participants do not enjoy a windfall gain or suffer a material detriment as a result of the variation. Any adjustment will be made in accordance with the ASX Listing Rules.</p>
Administration of Plan	<p>The Plan may be administered either by the Board or an external party, including using a trust to acquire, hold, or provide shares to satisfy the Awards.</p> <p>The Board is given the power to make all required determinations under the Plan and to waive or modify the application of the terms of the Plan and the Awards granted under it, as the Board considers appropriate.</p>

CAJ

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 653 342 (within Australia)
+61 3 9946 4404 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (AEDT) on Sunday, 14 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Capitol Health Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Capitol Health Limited to be held as a virtual meeting on **Tuesday, 16 November 2021 at 11.00am** (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6 and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Ms Laura McBain as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Mr Kevin Kai-Chung Shaw as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Mr Andrew Demetriou as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Prior Issue of Shares to the vendors of Direct Radiology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Renewal of Capitol Health Limited Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to Issue 1,984,127 Performance Rights to Mr Justin Walter (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CAJ

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Computershare

