

**RHYTHM BIOSCIENCES LIMITED**  
**ACN 619 459 335**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2021 Annual General Meeting (“**Meeting**”) of the shareholders of Rhythm Biosciences Limited [ACN 619 459 335] (“**the Company**”) will be held by virtual technology on 24 November 2021 at 11.00am (AEDT).

**IMPACTS OF COVID-19 ON THE MEETING**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19, in particular in Victoria. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct the Meeting virtually via Zoom.

Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chair as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice (being 11.00am (AEDT) on 22 November 2021). Instructions for lodging proxies are included on your personalised proxy form.

Arrangements for attendance by Zoom, with the ability to ask questions, can be made by contacting Adrien Wing, the Company Secretary, by email at pmoffatt@northernstargroup.com.au at least two business days before the meeting. Where applicable, arrangements may be made for direct voting at the meeting by shareholders, proxies, corporate representatives and holders of powers of attorney.

In addition, the Company is happy to accept and answer questions submitted at least two business days prior to the Meeting by email to pmoffatt@northernstargroup.com.au. The Company reserves the right to not respond to any unreasonable and/or offensive questions at its discretion.

Because the conditions and potential restrictions and other requirements for meetings relating to COVID-19 are rapidly changing, if it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice of Annual General Meeting the Company will announce the alternative arrangements to ASX. Shareholders are encouraged to check for announcements of the Company at the ASX website [www2.asx.com.au](http://www2.asx.com.au), search code “RHY”.

Further details in respect of each of the Resolutions proposed in this Notice of Annual General Meeting (“**Notice**”) are set out in the Explanatory Memorandum (“**Memorandum**”) accompanying this Notice. The details of Resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

**AGENDA**

**2021 ANNUAL FINANCIAL STATEMENTS**

To lay before the meeting and consider the Annual Financial Statements of the Company in respect of the year ended 30 June 2021 and comprising the Annual Financial Report, the Directors’ Report and the Auditor’s Report.

**RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

**"That the Company approve the adoption of the Remuneration Report, included in the Directors’ Report, for the year ended 30 June 2021."**

***Voting Prohibition:***

*A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:*

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;*  
*or*
- (b) a closely related party of such a member (referred to herein as **Restricted Voters**).*

*However, a person (**voter**) may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise*

*undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.*

**Voting Note:**

*Directors of the Company who are key management personnel whose remuneration details are included in the 2021 Remuneration Report, any other key management personnel whose remuneration details are included in the 2021 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.*

**RESOLUTION 2: RE-ELECTION OF DR TREVOR LOCKETT AS A DIRECTOR**

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

**"That Dr Trevor Lockett, who retires by rotation in accordance with the Company's constitution and, being eligible, offer himself for re-election, be re-elected as a Director of the Company."**

**RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY**

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

**"That for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Memorandum which accompanied and formed part of this Notice."**

**Voting Note:**

If as at the time of the Meeting, the Company:

- is included in the S&P/ASX 300 Index; and
- has a market capitalisation of greater than AU\$300 million,

then this Resolution 3 will be withdrawn.

**RESOLUTION 4A: RATIFICATION OF PRIOR ISSUE OF SHARES**

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

**"That, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 1,500,000 fully paid ordinary shares at an issue price of \$0.85 (85 cents) per share to unrelated sophisticated, professional and other exempt investors identified by the Company as described in the Memorandum which accompanied and formed part of this Notice."**

A voting exclusion statement for Resolution 4A is set out below.

**RESOLUTION 4B: RATIFICATION OF PRIOR ISSUE OF OPTIONS**

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

**"That, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 750,000 unlisted options (each having an exercise price of \$1.20, expiry date of 31 August 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to unrelated sophisticated, professional and other exempt investors identified by the Company as described in the Memorandum which accompanied and formed part of this Notice."**

A voting exclusion statement for Resolution 4B is set out below.

#### **RESOLUTION 4C: RATIFICATION OF PRIOR ISSUE OF OPTIONS**

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

**“That, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 750,000 unlisted options (each having an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to unrelated sophisticated, professional and other exempt investors identified by the Company as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement for Resolution 4C is set out below.

##### ***Voting exclusion statement – Resolutions 4A to 4C***

*The Company will disregard any votes cast in favour of this Resolutions 4A to 4C respectively by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved under Resolutions 4A to 4C respectively or any associate of that person.*

*However, this does not apply to a vote cast in favour of Resolutions 4A to 4C respectively by:*

- *a person as 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; or*
- *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*
- *a holder acting solely as 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.*

#### **RESOLUTION 5A APPROVAL TO ISSUE OPTIONS – GLENN GILBERT**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 2,000,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to Glenn Gilbert (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5A is set out below.

#### **RESOLUTION 5B APPROVAL TO ISSUE OPTIONS – TREVOR LOCKETT**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 500,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to Trevor Lockett (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5B is set out below.

#### **RESOLUTION 5C APPROVAL TO ISSUE OPTIONS – OTTO BUTTULA**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 2,000,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to Otto Buttula (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5C is set out below.

#### **RESOLUTION 5D APPROVAL TO ISSUE OPTIONS – EDUARDO VOM**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 150,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to Eduardo Vom (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5D is set out below.

#### **RESOLUTION 5E APPROVAL TO ISSUE OPTIONS – LOUIS PANACCIO**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 150,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to Louis Panaccio (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5E is set out below.

#### **RESOLUTION 5F APPROVAL TO ISSUE OPTIONS – DAVID WHITE**

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

**“That, for the purposes of Listing Rule 10.14, Chapter 2E and section 195(4) of the Corporations Act and for all other purposes, shareholders approve the issue of 500,000 unlisted options (each with an exercise price of \$1.80, expiring 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to David White (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”**

A voting exclusion statement and proxy voting prohibition for Resolution 5F is set out below.

#### ***Voting Exclusion Statement – Resolutions 5A to 5F***

*The Company will disregard any votes cast in favour of Resolutions 5A to 5F respectively by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or any associate of that person in respect of Resolutions 5A to 5F respectively.*

*However, this does not apply to a vote cast in favour of Resolutions 5A to 5F respectively by:*

- *a person as 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; or*

- *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*
- *a holder acting solely as 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.*

#### **Voting Prohibition – Resolutions 5A to 5F**

*In accordance with section 224 of the Corporations Act, a vote on Resolutions 5A to 5F (which seek shareholder approval for the purposes of Chapter 2E of the Corporations Act) must not be cast (in any capacity) by or on behalf of:*

- *a related party of the Company to whom Resolution 5A to 5F respectively would permit a financial benefit to be given; or*
- *an associate of such a related party.*

*However, the above does not prevent the casting of a vote if:*

- *it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and*
- *it is not cast on behalf of a related party or associate of a kind referred to above.*

#### **Proxy Voting Prohibition – Resolutions 5A to 5F**

*Other than as set out below, a vote on Resolutions 5A to 5F must not be cast as proxy by a Restricted Voter.*

*A Restricted Voter may cast a vote on Resolutions 5A to 5F as a proxy if either:*

- *the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or*
- *the Restricted Voter is the chair and the written appointment of the chair as proxy:*
  - *does not specify the way the proxy is to vote on this resolution; and*
  - *expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

#### **RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF OPTIONS**

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

**“That, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 1,000,000 unlisted options (each having an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to IRX Enterprises Pty Ltd as described in the Memorandum which accompanied and formed part of this Notice.”**

#### **Voting exclusion statement – Resolution 6**

*The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved under Resolution 6 or any associate of that person.*

*However, this does not apply to a vote cast in favour of Resolution 6 by:*

- *a person as 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; or*
- *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*

- *a holder acting solely as 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.*

**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



Adrien Wing  
Company Secretary

Dated: 29 September 2021

The accompanying Proxy Instructions and Memorandum form part of this Notice.

## PROXY AND VOTING INSTRUCTIONS

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### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member 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 member'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 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 with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member 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.

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

A proxy form is attached to this Notice.

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

### Corporate Representatives

Any corporation which is a member of the Company may 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.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00pm (Melbourne time) on 22 November 2021 are entitled to attend and vote at the meeting.

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

### How the Chair Will Vote Undirected Proxies

Subject to the restrictions as set out in the Notice, the Chair of the Meeting will vote undirected proxies in favour of all of the proposed Resolutions.

### Voting Restrictions on Resolution 1 (Remuneration Report)

The Remuneration Report identifies key management personnel for the year ended 30 June 2021. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2021 Remuneration Report, any other key management personnel whose remuneration details are included in the 2021 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

### Voting restrictions on Resolutions 5A to 5F

The Remuneration Report identifies key management personnel for the year ended 30 June 2021. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2021 Remuneration Report, any other key management personnel whose remuneration details are included in the 2021 Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolutions 5A to 5F provided however that the chair may vote undirected proxies on Resolutions 5A to 5F on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

### Special resolutions

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 3 is a special resolution.

**RHYTHM BIOSCIENCES LIMITED  
ACN 619 459 335  
ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM**

This Memorandum has been prepared for the information of members of Rhythm Biosciences Limited [ACN 619 459 335] (the "**Company**") in connection with the business to be conducted at the 2021 Annual General Meeting ("**Meeting**") of Shareholders of the Company to be held by virtual technology on 24 November 2021 at 11.00am (AEDT).

**Please refer to the note on the front cover of the Notice of Annual General Meeting regarding COVID-19 related restrictions, lodging proxies and/or attending the Meeting by Zoom.**

Shareholders are strongly encouraged to lodge their directed proxy forms in accordance with the instructions set out therein to vote before the Meeting.

This Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

**BUSINESS**

**2021 Annual Financial Statements**

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2021 will be laid before the meeting. Shareholders will have the opportunity to ask questions about, or make comments on, the 2021 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend, to answer questions about the audit of the Company's 2021 Annual Financial Statements.

As permitted by the Corporations Act, a printed copy of the Company's 2021 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2021 Annual Report is available from the Company's website ([www.rhythmbio.com](http://www.rhythmbio.com)) and the ASX announcements page of the Company ([www.asx.com.au](http://www.asx.com.au), search code "RHY"). A copy of the 2021 Annual Report can also be obtained upon request to Adrien Wing, the Company Secretary, by email to [pmoffatt@northerstargroup.com.au](mailto:pmoffatt@northerstargroup.com.au).

There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

**Resolution 1: Non-binding Resolution - Remuneration Report**

The Company is required pursuant to the Corporations Act 2001 (Cth) ("**the Corporations Act**"), to propose a non-binding resolution regarding the 2021 Remuneration Report, which forms part of the Director's Report in the 2021 Annual Financial Statements. The vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the 2021 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report.

The Board 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. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings (**AGM**) (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's 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 and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2020 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event 25% or more of votes that are cast are against the adoption of the 2021 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2021 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more for the same resolution at the 2022 AGM the consequences are that it may result in the re-election of the Board.



Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, Directors and other members of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of those persons must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

### **Resolution 2: Re-election of Dr Trevor Lockett as a Director**

Resolution 2 is a resolution for the re-election of Dr Trevor Lockett as a Director of the Company.

Pursuant to the constitution of the Company (**Constitution**), at each AGM one-third of Directors or, if their number is not a multiple of three (3), then the number nearest to but not more than one-third of Directors must retire from office. The Company has five (5) Directors and therefore one is required to retire.

The Directors to retire by rotation at an AGM are those Directors who have been longest in office since their last election or appointment. Directors elected or appointed on the same day may agree among themselves or determine by lot which of them must retire. Dr Trevor Lockett was last elected at the 2019 AGM and has therefore been longest in office since their last election. Accordingly, Dr Trevor Lockett shall retire at the 2021 AGM.

Dr Trevor Lockett retires by rotation and, being eligible, offers himself for re-election.

A molecular biologist by trade, Trevor Lockett received his PhD in biochemistry from the University of Adelaide and postdoctoral experience at the Rockefeller University in New York. With over 30 years of research experience, predominantly at the CSIRO, Trevor has led large, multidisciplinary research efforts in the areas of prostate cancer gene therapy, colorectal cancer prevention and the promotion of gastrointestinal health. In his role as Theme Leader, Colorectal Cancer and Gut Health, Trevor oversaw the research efforts leading to the technology that is to become ColoSTAT™.

#### *Director recommendations*

The Board (with Dr Trevor Lockett abstaining) unanimously support the re-election of Dr Trevor Lockett as a Director of the Company.

### **Resolution 3: Approval of 10% placement facility**

ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalization of \$300 million or less.

The Company is, at the date of the Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any issue(s) under the 10% Placement Facility for development of its existing business and any acquired business, or funding new projects or business opportunities and/or general working capital.

The Company obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2020 AGM. This Shareholder approval will lapse on the date of this Meeting.

The Company did not issue any equity securities under the capacity available to it under ASX Listing Rule 7.1A pursuant to approval obtained at the 2020 AGM prior to lapse of this capacity under ASX Listing Rule 7.1A.

The Company seeks to refresh the shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the Meeting in accordance with ASX Listing Rule 7.1A.

If shareholders pass Resolution 3, the number of equity securities that the Company may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below). If Resolution 3 is not passed by shareholders, then the Company will not be able to issue the equity securities under the 10% Placement Facility.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **DESCRIPTION OF LISTING RULE 7.1A**

- **Shareholder approval**

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

- **Equity securities**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, being ordinary shares (**RHY**).

- **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period (defined below), issue a number of equity securities calculated in accordance with the following formula:

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

**where:**

A is the number of shares on issue 12 months before the date of the issue or agreement to issue:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 where:
  - a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iii) plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:
  - a. the agreement was entered into before the commencement of the relevant period; or
  - b. the agreement or issue was approved, or taken under those rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iv) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- (v) plus the number of partly paid shares that became fully paid in the 12 months;
- (vi) less the number of fully paid shares cancelled in the 12 months.

Note: "A" has the same meaning in ASX 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 ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.*

- ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

As at the date of this Meeting, the Company has 208,800,081 ordinary shares on issue and will therefore (subject to the passage of the other resolutions at the Meeting) have capacity to issue:

- (i) 31,320,012 equity securities under Listing Rule 7.1 (15% capacity); and
- (ii) subject to shareholders approving this Resolution 3, 20,880,008 (provided such equity securities are in a class of quoted equity securities) under Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer above).

- Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the time and date of the next AGM of the Company; or
- (iii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

- ASX Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

**SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A**

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

- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:
  - (i) The date on which the price at which the relevant equity securities are to be issued is agreed by the Company and the recipient of the relevant equity securities; or
  - (ii) If the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- If Resolution 3 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Meeting; and
  - (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

which may have an effect on the quantum of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the price of ordinary shares has decreased by 50% and increased by 50% as against the current market price (being \$1.28), the closing price of the Company's ordinary shares at close of trading on 28 September 2021).

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.64 50% decrease in Deemed Price	\$1.28 Deemed Price	\$1.92 50% Increase in Deemed Price
Current Variable A 208,800,081 Shares	10% Voting Dilution	20,880,008 shares	20,880,008 shares	20,880,008 shares
	Funds raised	\$13,363,205	\$26,726,410	\$40,089,615
50% increase in current Variable A 313,200,121 shares	10% Voting Dilution	31,320,012 shares	31,320,012 shares	31,320,012 shares
	Funds raised	\$20,044,808	\$40,089,615	\$60,134,423
100% increase in current Variable A	10% Voting Dilution	41,760,016 shares	41,760,016 shares	41,760,016 shares

417,600,162 shares	<b>Funds raised</b>	\$26,726,410	\$53,452,820	\$80,179,231
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***The table above has been prepared on the following assumptions:***

- *The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.*
- *No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.*
- *The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.*
- *The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1.*
- *The deemed price in the table is indicative only and does not consider the maximum 25% discount to market that the securities may be placed at under ASX Listing Rule 7.1A.*

The Company may seek to issue the equity securities for cash consideration. In such circumstances, the Company intends to use the funds raised (if any) towards developing its existing business and any acquired business, or to fund new projects or business opportunities and/or for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any equity securities under the 10% Placement Facility.

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

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

Due to the forward looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments (provided that the shares were issued for cash consideration).

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2020 AGM. The Company did not issue any equity securities under the shareholder approval under ASX Listing Rule 7.1A obtained at its 2020 AGM the 12-month period preceding the proposed date of the Meeting.

As at the date of that Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Accordingly, no voting exclusion applies to this Resolution 3 and no existing shareholder's votes will therefore be excluded.

### *Director recommendations*

The directors of the Company unanimously recommend shareholders vote in favour of Resolution 3.

### **Resolutions 4A to 4C: Ratification of prior issues of securities**

On 7 September 2021, the Company announced that it had completed a placement to sophisticated, professional and other exempt investors identified by the Company of 1,500,000 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.85 (85 cents) per Placement Share to raise \$1.275 million before costs (**Placement**).

Every two Placement Shares were accompanied by:

- one free-attaching option with an exercise price of \$1.20, expiry date of 31 August 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company (**Class A Option**); and
- one free-attaching option with an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company (**Class B Option**).

The Class A Options and Class B Options are referred to collectively in this Memorandum as the **Placement Options**.

The Placement Shares were issued on 13 September 2021 and an Appendix 2A was released to ASX on that date. The Placement Options were also issued on 13 September and an Appendix 3G was released to ASX on that date.

The Placement Shares and Placement Options were issued under the placement capacity available to the Company under Listing Rule 7.1. The Company seeks shareholder ratification of the prior issue of the Placement Shares (Resolution 4A), Class A Options (Resolution 4B) and Class B Options (Resolution 4C).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions including ASX Listing Rule 7.1A, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the share capital of the Company at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that, where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

If shareholders:

- pass Resolutions 4A to 4C, the securities the subject of those Resolutions will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. In addition, shares issued on exercise of Placement Options (if any) will increase the placement capacity available to the Company.
- pass some, but not all, of Resolution 4A to 4C, the securities the subject of the Resolution(s) pass by shareholders will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. In addition, if the Resolution(s) passed by shareholders relate to ratification of the prior issue of Placement Options (or some of them), shares issued on exercise of Placement Options (if any) the subject of Resolution(s) passed by shareholders will increase the placement capacity available to the Company. The securities the subject of the Resolution(s) not passed by shareholders will, however, continue to use the placement capacity of the Company under the ASX Listing Rules.
- do not pass any of Resolutions 4A to 4C, the securities the subject of those Resolutions will continue to use the placement capacity available to the Company under the ASX Listing Rules.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5 in respect of Resolutions 4A to 4C:

- The Placement Shares and free-attaching Placement Options were issued to sophisticated, professional and other exempt investors identified by the Company.
- The number and class of securities issued were:
  - 1,500,000 fully paid ordinary shares (being the Placement Shares);
  - 750,000 unlisted options with an exercise price of \$1.20, expiry date of 31 August 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company (being class A Options);
  - 750,000 unlisted options with an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company (being Class B Options).
- The Placement Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the other fully paid ordinary shares on issue in the Company. The commercial terms of the Placement Options are described below:
  - Class A Options: exercise price of \$1.20, expiry date of 31 August 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company.
  - Class B Options: exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company.

The full terms of the Class A Options and Class B Options are set out in Annexure A of the prospectus of the Company dated 30 July 2021 and released to ASX on that date (**Prospectus**). The terms as set out in the Prospectus have been extracted into Annexure A to this Memorandum.

- The Placement Shares and Placement Options were issued on 13 September 2021. An Appendix 2A (Placement Shares) and Appendix 3G (Placement Options) for the issue were released to ASX on that date.
- Placement Shares were issued at \$0.85 (85 cents) per Placement Share. Placement Options were issued as free-attaching to Placement Shares on the basis of one Class A Options and one Class B Option for every two Placement Shares issued.
- Funds raised from the issue of Placement Shares have been, or will be, used to accelerate and expand the Company's development and commercialisation plans as outlined in the Prospectus. No funds will be raised from the issue of the Placement Options, which were issued as free-attaching to Placement Shares. Funds raised on exercise of Placement Options (if any) will be used to meet the working capital requirements of the Company at the time of exercise of such Placement Options.
- A voting exclusion for Resolutions 4A to 4C is contained in the Notice which this Memorandum accompanies.

#### *Director recommendations*

The Directors unanimously recommend that shareholders vote in favour of Resolutions 5A to 5C.

#### **Resolutions 5A to 5F: Issue of options to related parties**

##### *Background*

Resolutions 5A to 5F seek shareholder approval for the issue of unlisted options (each with an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company) to related parties (and/or their nominee(s)) under the Rhythm Employee Security Ownership Plan (**Plan**) as set out in the table below:

#	Recipient *	Nº of options
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5A	Glenn Gilbert	2,000,000
5B	Trevor Lockett	500,000
5C	Otto Buttula	2,000,000
5D	Eduardo Vom	150,000
5E	Louis Panaccio	150,000
5F	David White	500,000
	<b>Total</b>	<b>5,300,000</b>

*\*may be issued to a nominee(s) of a recipient*

The full terms of the options are set out in Annexure A (refer to “Class B Options”).

On 26 July 2021, the Board resolved to issue the options (with each recipient who was a Director at that time not being present during any discussion and/or determination in respect of the proposed issue of their respective unlisted options), subject to receipt of shareholder approval which is sought under Resolutions 5A to 5F. An Appendix 3B for the proposed issue of options was released to ASX on 27 July 2021.

Each of the proposed recipients are related parties of the Company. All recipients other than Glenn Gilbert and David White are current Directors. Details of why the Company proposes seeking shareholder approval for this issue of options to Glenn Gilbert and David White (and/or their nominee(s)), including why each of them is considered to be a related party for the purposes of the ASX Listing Rules and the Corporations Act, are set out below.

#### *ASX Listing Rules*

ASX Listing Rule 10.14 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities under an employee incentive plan to a director of the company or any of their associates or any person whose relationship with the entity or either of those persons is such that in ASX’s opinion the acquisition should be approved by shareholders. As noted above, all recipients other than Glenn Gilbert and David White are Directors.

The Company notes that:

- Glenn Gilbert, the current CEO of the Company, may be considered for appointment as a Director in the short-to-medium term as part of the ongoing consideration of the composition of the Board. Accordingly, Glenn Gilbert is considered a related party of the Company under the operation of the ASX Listing Rules and the Corporations Act. The Company will make an announcement to ASX if Glenn Gilbert is appointed as a Director in accordance with its continuous disclosure obligations; and
- David White was a Director of the Company in the last six months and is therefore considered to be a related party of the Company under the ASX Listing Rules and the Corporations Act.

Noting the above, the Company is seeking shareholder approval for the issue of options to Glenn Gilbert and David White (and/or their respective nominee(s)) under ASX Listing Rule 10.14 in case ASX forms the view that, as related parties, Glenn Gilbert and David White are persons whose relationship(s) with the Company is such that the acquisition of options by them (and/or their respective nominee(s)) the subject of Resolutions 5A and 5F ought to be approved by shareholders in accordance with ASX Listing Rule 10.14.3.

Shareholder approval is being sought under Listing Rule 10.14 for Resolutions 5A to 5F and as such approval is not required under ASX Listing Rule 7.1.

If shareholders:



- Pass all of Resolutions 5A to 5F, the Company will be able to issue all of the unlisted options the subject of those Resolutions. In addition, shares issued on exercise of these unlisted options (if any) will increase the placement capacity available to the Company.
- Pass some, but not all, of Resolutions 5A to 5F, the Company will be able to issue the unlisted options the subject of the Resolution(s) passed by shareholders, but will not be able to issue the unlisted options the subject of the Resolution(s) not passed by shareholders. In addition, shares issued on exercise of unlisted options issued in respect of Resolution(s) approved by shareholders will increase the placement capacity of the Company.
- Do not pass Resolutions 5A to 5F, the Company will not be able to issue the unlisted options.

The following information is provided in accordance with the requirements of ASX Listing Rule 10.15:

- The proposed recipients and the maximum number of securities to be acquired by each person for whom approval under ASX Listing Rule 10.14 is sought under Resolutions 5A to 5F is set out in the table below:

#	Recipient *	N <sup>o</sup> of options
5A	Glenn Gilbert	2,000,000
5B	Trevor Lockett	500,000
5C	Otto Buttula	2,000,000
5D	Eduardo Vom	150,000
5E	Louis Panaccio	150,000
5F	David White	500,000
	<b>Total</b>	<b>5,300,000</b>

*\*may be issued to a nominee(s) of a recipient*

- Each of proposed recipients of unlisted options other than Glenn Gilbert and David White are Directors and are therefore persons to whom ASX Listing Rule 10.14.1 applies with respect to the proposed issue of the unlisted options under the Plan. As related parties, Glenn Gilbert and David White are persons to whom ASX Listing Rule 10.14.3 may apply with respect to the proposed issue of unlisted options under the Plan.
- No funds are payable for the issue of the unlisted options, which are being issued as incentive options to remunerate each of the recipients, including for prior service rendered as Directors.
- Details of the total remuneration packages of each of the proposed recipients of unlisted options the subject of Resolutions 5A to 5E (specifically excluding Resolution 5F which relates to David White who is no longer engaged by the Company) are set out below:
  - Glenn Gilbert: \$297,440 per annum for acting as CEO.
  - Trevor Lockett: \$112,000 per annum for acting as Technical Director.
  - Otto Buttula: \$84,000 per annum for acting as Non-Executive Chairman.
  - Eduardo Vom: \$42,000 per annum for acting as a Non-Executive Director.
  - Louis Panaccio: \$42,000 for acting as a Non-Executive Director.

- No securities have previously been issued under the Plan to any of the proposed recipients. 1,500,000 unlisted options were issued under the prior version of the Plan to Trevor Lockett (and/or his nominee(s)) on 20 November 2020 in accordance with shareholder approval obtained at the 2020 AGM. These options were issued for non-cash as reasonable remuneration. An aggregate value of \$109,676.22 was attributed to these options in accordance with a Black-Scholes valuation conducted on 10 September 2020. Further details are set out in the notice of the 2020 AGM as released to ASX on 6 October 2020.
- Unlisted options have an exercise price of \$1.80, expiry date of 31 July 2024 and, upon exercise, entitle the holder to one fully paid ordinary share in the Company. Unlisted options otherwise have the terms as set out in Annexure A of the Prospectus. The terms as set out in the Prospectus have been extracted into Annexure A to this Memorandum. As noted above, the unlisted options are proposed to be issued as incentive options to remunerate each of the recipients, including for prior service rendered as Directors. A Black-Scholes valuation of the options as at 25 July 2021 attributed a value of \$0.45 per unlisted option. 25 July 2021 was chosen for the purposes of the valuation on the basis that it was the day immediately prior to the date on which the Board resolved to issue the options (with each recipient who was a Director at that time not being present during any discussion and/or determination in respect of the proposed issue of their respective unlisted options), subject to receipt of shareholder approval. A further valuation of the options was obtained as at 27 September 2021, having regard to the higher share price of the Company. The valuation as at 27 September 2021 attributed a value of \$0.70 per unlisted option.
- Subject to receipt of shareholder approval, the Company intends to issue the unlisted options the subject of those of Resolutions 5A to 5F as approved by shareholders shortly after the Meeting, and in any event no later than three years after the date of the Meeting.
- The unlisted options are to be issued for no cash.
- The material terms of the Plan were set out in Annexure C of the notice of the 2020 AGM as released to ASX on 6 October 2020 and are extracted in Annexure B to this Memorandum.
- The Company confirms the following:
  - Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period within which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
  - Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolutions 5A to 5F are approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- A voting exclusion for Resolutions 5A to 5F is contained in the Notice which this Memorandum accompanies.

#### *Corporations Act*

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Each of the proposed recipients is a related party of the Company under the Corporations Act. The issue of unlisted options to each of the proposed recipients constitutes the giving of a financial benefit to a related party. Noting this, Resolutions 5A to 5F seek shareholder approval for the purposes of Chapter 2E of the Corporations Act.

Although no Director participated in the discussion or decision making process in respect of options proposed to be issued to them, the Directors acknowledge that Resolutions 5B to 5E separately relate to all current Directors of the Company. In addition, the Directors acknowledge that Glenn Gilbert is the current CEO of the Company and that David White was previously a Director just prior to the discussion and decision making process in connection with the proposed issue of unlisted options. Accordingly, the Directors propose that Resolutions 5A to 5F each also be put to shareholders for the purposes of section 195(4) of the Corporations Act such that shareholders determine whether the related parties will be issued unlisted options as set out in the table on page 16 of this Memorandum.

A voting prohibition and proxy voting prohibition in respect of Resolutions 5A to 5F is contained in the Notice which this Memorandum accompanies.

#### Recipients of unlisted options

The proposed related party recipients of the options and the maximum number to be received by each are set out in the table below:

#	Recipient *	N° of options
5A	Glenn Gilbert	2,000,000
5B	Trevor Lockett	500,000
5C	Otto Buttula	2,000,000
5D	Eduardo Vom	150,000
5E	Louis Panaccio	150,000
5F	David White	500,000
	<b>Total</b>	<b>5,300,000</b>

*\*may be issued to a nominee(s) of a recipient*

#### Nature of financial benefit

Each of the proposed related party recipients will have a relevant interest in the number of options set out against their name in the above table upon issue of the options the subject of Resolutions 5A to 5F (which are subject to receipt of shareholder approval). Each option has an exercise price of \$1.80 and expiry date of 31 July 2024. Full terms of the options the subject of Resolutions 5A to 5F are set out in Annexure A (refer to "Class B Options").

The options are proposed to be issued to incentivise the proposed recipients in connection with their respective roles in the Company (whether current or historically). The Board is of the view that remunerating its directors and management through the issue of equity is a useful tool for the Company to retain cash reserves whilst also providing valuable remuneration to its directors and management that aligns their interests with those of shareholders.

The number of options was determined having regard to the capital structure of the Company and the desire to provide balanced incentives to the proposed related party recipients.

#### Valuation

The Board has obtained two Black-Scholes valuations of the options the subject of Resolutions 5A to 5F:

- A valuation of the unlisted options at 25 July 2021, being the day before the day on which the Board resolved to issue the options subject to shareholder approval (with each recipient who was a Director at that time not being present during any discussion and/or determination in respect of the proposed issue of their respective unlisted options). The valuation conducted at 25 July 2021 attributes a value of \$0.45 per option.
- A valuation of the unlisted options at 27 September 2021, which was obtained for the purposes of preparation of the Notice and having regard to the higher share price of the shares of the Company. The valuation conducted at 27 September 2021 attributes a value of \$0.70 per unlisted option.

Having regard to the valuations obtained the indicative value of the options to be issued to each of the proposed related party recipients are set out in the table below:

#	Recipient *	N° of options	\$0.45 per option	\$0.70 per option
5A	Glenn Gilbert	2,000,000	\$900,000	\$1,400,000
5B	Trevor Lockett	500,000	\$225,000	\$350,000
5C	Otto Buttula	2,000,000	\$900,000	\$1,400,000
5D	Eduardo Vom	150,000	\$67,500	\$105,000
5E	Louis Panaccio	150,000	\$67,500	\$105,000
5F	David White	500,000	\$225,000	\$350,000
	<b>Total</b>	<b>5,300,000</b>	<b>\$2,385,000</b>	<b>\$3,710,000</b>

*\*may be issued to a nominee(s) of a recipient*

#### Director remuneration

As set out on page 18, details of the total remuneration packages of each of the proposed recipients of unlisted options the subject of Resolutions 5A to 5E (specifically excluding Resolution 5F which relates to David White who is no longer engaged by the Company) are set out below:

- Glenn Gilbert: \$297,440 per annum for acting as CEO.
- Trevor Lockett: \$112,000 per annum for acting as Technical Director.
- Otto Buttula: \$84,000 per annum for acting as Non-Executive Chairman.
- Eduardo Vom: \$42,000 per annum for acting as a Non-Executive Director.
- Louis Panaccio: \$42,000 for acting as a Non-Executive Director.

#### Existing interests of related parties

The existing direct and indirect interests of the proposed related party recipients are set out in the tables below:

#### **Shares**

Recipient *	Shares held	Current %
Glenn Gilbert	1,242,925	0.60%
Trevor Lockett	164,000	0.08%
Otto Buttula	28,085,001	13.45%
Eduardo Vom	3,641,484	1.74%
Louis Panaccio	820,000	0.39%
David White	530,220	0.25%
<b>Total</b>	<b>34,483,630</b>	<b>16.52%</b>

#### **Options**

Recipient *	\$0.20 ex. price Expire 14/09/23	\$1.20 ex. price Expire 31/08/2022	\$1.80 ex. price Expire 31/07/2024	Total
Glenn Gilbert	1,750,000	29,792	29,792	<b>1,809,584</b>
Trevor Lockett	1,500,000	2,000	2,000	<b>1,504,000</b>
Otto Buttula	Nil	342,501	342,501	<b>685,002</b>
Eduardo Vom	Nil	44,409	44,409	<b>88,818</b>
Louis Panaccio	Nil	10,000	10,000	<b>20,000</b>
David White	Nil	Nil	Nil	Nil
<b>Total</b>	<b>3,250,000</b>	<b>428,702</b>	<b>428,702</b>	<b>3,207,404</b>

If Shareholders approve Resolutions 5A to 5F each of the related party recipients will obtain a relevant interest in the number of options as set out in the table on page 20 of the Memorandum. The below table shows the percentage interest of each of the proposed recipient of options based on their existing shareholding in the Company plus the number of shares issued on exercise of the unlisted options the subject of Resolutions 5A to 5F:

Recipient *	Shares held	Current %	Shares after option exercise	% of total post- exercise
Glenn Gilbert	1,750,000	0.60%	3,750,000	1.75%
Trevor Lockett	164,000	0.08%	664,000	0.31%
Otto Buttula	28,085,001	13.45%	30,085,001	14.05%
Eduardo Vom	3,641,484	1.74%	3,791,484	1.77%
Louis Panaccio	820,000	0.39%	970,000	0.45%
David White	530,220	0.25%	1,030,220	0.48%
<b>Total</b>	<b>34,483,630</b>	<b>16.52%</b>	<b>40,290,705</b>	<b>18.82%</b>

The percentages in the above table is subject to rounding and does not include any additional securities other than those issued upon exercise of the options the subject of Resolutions 5A to 5F, including the conversion of any convertible securities held by the relevant holders and/or the issue of additional shares in the Company.

Potential dilutive effect of the issue of unlisted options

The issue of unlisted options the subject of Resolutions 5A to 5F will not result in dilution of the interests of shareholders of the Company until exercise of such unlisted options into ordinary shares. There is no guarantee that a certain number of unlisted options will be exercised, if any.

An example of the potential dilutive impact of the exercise of unlisted options is set out in the table below:

Example shareholder	Existing (per Appendix 2A released to ASX on 13 September 2021)	Post-exercise of Options

2,000,000	0.96%	0.93%
5,000,000	2.39%	2.34%
8,000,000	3.83%	3.74%
12,000,000	5.75%	5.60%
15,000,000	7.18%	7.01%

All percentages are subject to rounding.

#### *Director recommendations*

The Directors do not make any recommendations with respect to resolutions 5A to 5F as such recommendations are in connection with the remuneration of Directors of the Company and therefore may be considered to be a conflict of interest as set out in ASIC guidance in ASIC Regulatory Guide 76.

#### **Resolution 6 – Ratification of prior issue of options**

Resolution 6 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 1,000,000 unlisted options (each with an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company) to IRX Enterprises Pty Ltd (who is not a related party of the Company) (**IRX**) for advisory service provided to the Company.

The unlisted options were issued on 26 July 2021 and an Appendix 3G was released to ASX on that date. The unlisted options were issued without shareholder approval under ASX Listing Rules 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions including ASX Listing Rule 7.1A, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the share capital of the Company at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that, where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

If shareholders pass Resolution 6, the unlisted options will be treated as not having used the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval. In addition, shares issued on exercise of unlisted options (if any) will increase the placement capacity available to the Company. If shareholders do not pass Resolution 6 the unlisted options will continue to use the placement capacity that is available to the Company under the ASX Listing Rules.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- The IRX Enterprises Pty Ltd, who is not a related party of the Company.
- The total number of securities issued was 1,000,000 unlisted options.
- Unlisted options have an exercise price of \$1.80, expiry date of 31 July 2024 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company. Unlisted options otherwise have the terms as set out in Annexure A of the Prospectus. The terms as set out in the Prospectus have been extracted into Annexure A to this Memorandum.
- The unlisted options were issued on 26 July 2021 and an Appendix 3G was released to ASX on that date.

- No funds were raised from the issue of unlisted options, which were issued to IRX in respect of advisory services provided by IRX to the Company.
- As noted above, no funds were raised from the issue of unlisted options, which were issued to IRX in respect of advisory services provided by IRX to the Company. Funds raised on exercise of unlisted options (if any) will be used to meet the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 6 is contained in the Notice accompanying this Memorandum.

*Director recommendations*

The Directors unanimously recommend that shareholders vote in favour of Resolution 6.

*Note: references in the Notice and the Memorandum to “\$” are to Australian currency.*

**ANNEXURE A  
TERMS OF OPTIONS**

1. Subject to clause 2 below and also any restrictions imposed by ASX, each Option is exercisable at any time until and including their expiry date, namely 5pm (AEST) on the following dates:
  - (a) if the Options are Class A Options, then 31 August 2022
  - (b) if the Options are Class B Options or unlisted options under Resolutions 5A to 6, then 31 July 2024each an **Expiry Date**. Any Options not exercised by the Expiry Date will automatically lapse at 5pm (AEST) on the Expiry Date.
2. The Options may be exercised for part or all of the Options vested at a particular time by the Option Holder giving written notice in the form set out below (Notice of Exercise) to the Company at its registered office prior to the Expiry Date together with payment in full of the respective exercise price as follows:
  - (a) if the Options are Class A Options, then \$1.20 per Share
  - (b) if the Options are Class B Options or unlisted options under Resolutions 5A to 6, then \$1.80 per Shareeach an **Exercise Price**.
3. On receipt by the Company of the Notice of Exercise and payment of the Exercise Price, the Company must, within 2 Business Days and if the Shares are listed on the ASX within the time period prescribed by the ASX Listing Rules:
  - (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
  - (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
  - (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. Shares allotted on the exercise of New Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
5. The Options are transferable by an Option Holder on written notice to the Company, and where the Shares are quoted, in accordance with the ASX Listing Rules.
6. In the event of a pro rata issue of Shares by the Company, the Exercise Price for each Option will be adjusted in accordance with Listing Rule 6.22.2 of the ASX Listing Rules (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
7. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
8. An Option does not confer the right to participate in new issues of capital offered to holders of Shares (**Rights Entitlement**) during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to procure that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 days written notice from the Company of the pending closing



or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for the participation in the Rights Entitlement.

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

**ANNEXURE B  
SUMMARY OF THE PLAN**

Any issues of securities or agreements to issue securities under the Plan will be announced to ASX.

The Plan provides for shares, options or other securities or interests (including performance rights) to be issued to eligible persons. The purpose of the Plan is to:

- (a) provide eligible persons with an additional incentive to work to improve the performance of the Company;
- (b) attract and retain eligible persons essential for the continued growth and development of the Company;
- (c) to promote and foster loyalty and support amongst eligible persons for the benefit of the Company; and
- (d) to enhance the relationship between the Company and eligible persons for the long-term mutual benefit of all parties.

Eligible persons are directors, officers and employees of, or consultants to, the Company or an associated body corporate and, in the case of consultants, may include bodies corporate. Participants in the Plan, the number, type and terms of any securities offered or issue, and the terms of any invitation, offer or issue are determined by the Board with the advice of the remuneration committee, if any.

Directors and related parties of the Company may only participate in the Plan if prior shareholder approval is obtained in accordance with the ASX Listing Rules.

The maximum number of securities that may be issued under the Plan is 20,000,000.

The total number of securities which may be issued under the Plan from time to time is the number which is 10% (ten percent) of the number of Shares on issue at the time of issue of a security. Shares issued on exercise of an option or exercise or conversion of an interest issued under the Plan, and options or other interests which have been converted or cancelled or which have lapsed are not counted in determining the number of securities issued under the Plan.

The Directors may make loans to eligible persons to assist acquiring or for the purpose of acquiring securities under the Plan, subject to compliance with the Corporations Act and ASX Listing Rules.

The Board is to administer the terms of the Plan, including but not limited to determining the terms of securities issued, adoption of rules subordinate to the Plan for the administration of the Plan and the suspension or termination of the Plan.

The Plan is to be interpreted and applied in accordance with and subject to the ASX Listing Rules.

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## LODGE YOUR VOTE


 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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

 **BY FAX**  
+61 2 9287 0309

 **BY HAND\***  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000

\*during business hours Monday to Friday (9:00am - 5:00pm)  
and subject to public health orders and restrictions

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

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11.00am (AEDT) on Monday, 22 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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

 **BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company. **Shareholders are strongly encouraged to lodge their directed proxies appointing the Chair as early as possible and in any event prior to the cut-off of proxy voting as set out in the Notice (being 11.00am (AEDT) on Monday, 22 November 2021).**

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

may copy this form and return them both together.

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X9999999999

## PROXY FORM

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

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the 2021 Annual General Meeting of the Company to be held at **11.00am (AEDT) on Wednesday, 24 November 2021 as a virtual meeting via zoom only (the Meeting)** and at any postponement or adjournment of the Meeting. **Please refer to the Notice for details as to how to register to attend the virtual meeting.**

**Important for Resolutions 1 & 5A – 5F:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 5A – 5F, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Non-Binding Resolution to Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5C Approval to Issue Options – Otto Buttula	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr Trevor Lockett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5D Approval to Issue Options – Eduardo Vom	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5E Approval to Issue Options – Louis Panaccio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4A Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5F Approval to Issue Options – David White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4B Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4C Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5A Approval to Issue Options – Glenn Gilbert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5B Approval to Issue Options – Trevor Lockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

STEP 2

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

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

RHY PRX2101D

