

Notice of Annual General Meeting and Explanatory Statement

4DMedical Limited
ACN 161 684 831
(Company)

Annual General Meeting of 4DMedical Limited to be held at
Melbourne Connect Superfloor, The Forum, 700 Swanston
Street, Carlton VIC 3053 on Thursday, 3 November 2022
commencing at 10:00am (AEDT).

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in any doubt as how to vote, they should seek advice from their own independent financial, taxation or legal adviser without delay.



Chairman's letter

Dear Shareholder

Attached to this letter is the Notice of Meeting (**Notice**) and Explanatory Statement for the 2022 Annual General Meeting (**Meeting**) of the shareholders of the Company (**Shareholders**).

The Meeting will be held at Melbourne Connect Superfloor, The Forum, 700 Swanston Street, Carlton VIC 3053 and will be held on Thursday, 3 November 2022 commencing at 10:00am (AEDT).

The business of the Meeting will be to:

1. receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2022;
2. adopt the Remuneration Report;
3. elect Ms Evonne Collier as a non-executive director;
4. re-elect Mr John Livingston as an executive director;
5. re-elect Mr Julian Sutton as a non-executive director;
6. approve the grant of 1,850,914 options to Managing Director and CEO, Dr Andreas Fouras, under the 4DMedical Long Term Incentive Plan;
7. renew the proportional takeover provisions in the constitution of Company; and
8. approve the 10% placement capacity.

You are urged to consider carefully the Notice of Meeting and Explanatory Statement before determining how you wish to vote on the resolutions.

If you cannot attend the Meeting, please vote online or ensure your paper proxy form is received by the Company's share registry as soon as possible and in any event by no later than 10:00am on Tuesday, 1 November 2022.

Faithfully,

Bruce Rathie

Non-Executive Director and Chairman



Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting of the Shareholders of the Company will be held at Melbourne Connect Superfloor, The Forum, 700 Swanston Street, Carlton VIC 3053, on Thursday, 3 November 2022 at 10:00am (AEDT).

Agenda Items

Item 1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 30 June 2022.

Item 2. Remuneration Report

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

That the Remuneration Report, as contained in the Directors' Report for the year ended 30 June 2022, is adopted.

Note: under sections 250R(2) and (3) of the *Corporations Act 2001* (Cth) the vote on this resolution will be advisory only and will not bind the Company or its Directors.

Item 3. Election of Director, Ms Evonne Collier

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

That, for the purposes of clause 13.1 of the Company's constitution, ASX Listing Rule 14.4, and for all other purposes, Ms Evonne Collier, a non-executive director appointed on 17 December 2021, and being eligible, is re-elected as a director.

Item 4. Re-election of Director, Mr John Livingston

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

That, for the purposes of clause 13.3 of the Company's constitution, ASX Listing Rule 14.5, and for all other purposes, Mr John Livingston, an executive director appointed on 15 September 2017, and being eligible, is re-elected as a director.

Item 5. Re-election of Director, Mr Julian Sutton

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

That, for the purposes of clause 13.3 of the Company's constitution, ASX Listing Rule 14.5, and for all other purposes, Mr Julian Sutton, a non-executive director appointed on 15 September 2017, and being eligible, is re-elected as a director.

Item 6. Grant of Options to the Managing Director and CEO

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



That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, the grant of up to 1,850,914 options to Managing Director and CEO, Dr Andreas Fouras, under the 4DMedical Long Term Incentive Plan and on the terms described in the explanatory statement accompanying this notice, is approved.

Item 7. Renewal of the Proportional Takeover Approval Provisions in the Constitution of Company

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

That, for the purposes of Section 648G(4) of the Corporations Act 2001 (Cth) and for all other purposes, the Members of the Company approve the renewal, for a further three years from the date of the 2022 Annual General Meeting, of Clause 11 of the Company's Constitution.

Item 8. Approval of 10% Placement Capacity

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

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

Voting exclusions

Item 2 – Remuneration Report

A vote must not be cast, and the Company will disregard any votes attempted to be cast, on Item 2:

- by or on behalf of a member of the Company's key management personnel (**KMP**) named in the Company's Remuneration Report for the year ended 30 June 2022 or their closely related parties (such as close family members and any controlled companies), regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Item 2:

- in accordance with a direction as to how to vote on the voting form; or
- by the chairman of the Meeting pursuant to an express authorisation to the chairman to exercise the proxy even though Item 2 is connected with the remuneration of the Company's KMP.



Item 3 – Election of Director, Ms Evonne Collier

There are no voting exclusions for Item 3.

Item 4 – Re-election of Director, Mr Julian Sutton

There are no voting exclusions for Item 4.

Item 5 – Re-election of Director, Mr Julian Sutton

There are no voting exclusions for Item 5.

Item 6 – Grant of Options to the Managing Director and CEO

The Company will disregard any votes cast in favour of Item 5 by or on behalf of a person referred to in:

- ASX Listing Rule 10.14.1 (a Director of the Company); or
- ASX Listing Rule 10.14.2 (an associate of a Director); or
- ASX Listing Rule 10.14.3 (a person whose relationship within the company or a person referred to in ASX Listing Rule 10.14.1 or ASX 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders).

who is eligible to participate in the 4DMedical Long Term Incentive Plan, or an associate of any such person.

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

- 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
- the chair of the meeting as proxy or attorney for a person 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
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or 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.

Furthermore, in accordance with section 250BD of the Corporations Act, a vote must not be cast as proxy on this Resolution by a member of the Key Management Personnel (as defined by the Corporations Act), or a closely related party of a member of Key Management Personnel, where that



proxy appointment does not specify the way the proxy is to vote on the Resolution, and any such vote purported to be cast will be disregarded.

However, a person described above (a “**KMP Voter**”) may cast a vote on this Resolution as a proxy if:

- (a) The KMP Voter is the chair of the meeting; and
- (b) the written appointment of the chair as proxy 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.

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.

Furthermore, in accordance with section 200E of the Corporations Act, a vote must not be cast on this Resolution (in any capacity) by or on behalf of Dr Andreas Fouras or an associate thereof and any such votes attempted to be cast will be excluded.

However, a person described above (a “**Restricted Voter**”) may cast a vote on this Resolution if:

- (a) it is cast by the Restricted Voter as a proxy appointed by writing that directs how to vote on the Resolution; and
- (b) it is not cast on behalf of the Restricted Voter.

Item 7 – Renewal of the Proportional Takeover Approval Provisions in the Constitution of Company

There are no voting exclusions for Item 7.

Item 8 – Approval of 10% Placement Capacity

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

However, if, between the date of dispatch of this Notice and 3 November 2022, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A.2, the Company will disregard votes cast in favour of Item 8 by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the 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:
 - (i) 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 Item 8; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution in Item 2 if:

- the proxy is either a member of the Company's KMP or a closely related party of such member; and
- the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- the proxy is the chairman; and
- the appointment expressly authorises the chairman to exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of the Company's KMP.

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.

Dated 3 October 2022

By order of the Board

Melanie Leydin
Company Secretary



Instructions

Eligibility to vote	The Board has determined that you will be entitled to attend and vote at the Meeting if you are a registered Shareholder of the Company at 10:00am (AEDT) on Tuesday, 1 November 2022. You will be entitled to vote in respect of the number of shares registered in your name at that time.
Voting by proxy	<p>Each Shareholder may appoint a proxy to vote on behalf of that Shareholder at the general meeting. The proxy need not be a Shareholder. A Shareholder who is entitled to cast 2 or more votes may appoint not more than 2 proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of Shareholder's votes each proxy may exercise, each proxy may exercise half the votes (disregarding fractions).</p> <p>Proxy appointment is to be completed online through the Link Market Services voting portal at www.linkmarketservices.com.au. To be effective, it must be duly completed not less than 48 hours prior to the start of the general meeting (being by 10:00am AEDT on Tuesday, 1 November 2022).</p>
Appointing the chairman as proxy	<p>Subject to the specific proxy provision applying to Item 2 (Remuneration Report), Item 6 (Grant of Options to the Managing Director and CEO), Item 7 (Renewal of the Proportional Takeover Approval Provisions and Item 8 (Approval of 10% Placement Capacity) in the Constitution of Company), if you appoint the chairman of the Meeting as your proxy or the chairman of the Meeting is appointed as your proxy by default and you do not direct the chairman how to vote on a particular item, the chairman will vote on that item as he sees fit.</p> <p>For Item 2 (Remuneration Report), Item 6 (Grant of Options to the Managing Director and CEO), Item 7 (Renewal of the Proportional Takeover Approval Provisions in the Constitution of Company) and Item 8 (Approval of 10% Placement Capacity), where the chairman is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the chairman is to vote on Item 2, Item 6, Item 7 and Item 8, the Shareholder is directing the chairman to vote in accordance with the chairman's voting intentions for this item of business, even if Items 2 and 6 are connected with the remuneration of the Company's KMP whose remuneration details are included in the remuneration report for the year ended 30 June 2022.</p> <p>The chairman intends to vote all available proxies in favour of each resolution, in the Notice of Meeting, including Item 2, 6, 7 and 8.</p>
Body corporate representative	A Shareholder of the Company who is a body corporate and who is entitled to attend and vote at the Meeting, or a validly appointed proxy who is a body corporate and who is appointed by a Shareholder of the



	<p>Company entitled to attend and vote at the Meeting, may appoint a person to act as its representative at the Meeting by providing that person with:</p> <ul style="list-style-type: none">a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; orb) a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.
How to vote prior to the Meeting	Shareholders may appoint a proxy online at www.linkmarketservices.com.au .
How to vote at the Meeting	The Shareholders will have an opportunity to participate at the Meeting. You will be able to vote in real time and ask questions between the commencement of the Meeting (10:00am AEDT on Thursday, 3 November 2022) and the closure of voting as announced by the chairman of the Meeting.
How to submit questions prior to the Meeting	<p>Shareholders are encouraged to submit questions regarding the items of business ahead of the Meeting to the Company, as there may not be sufficient time to respond to all questions raised during the Meeting.</p> <p>Questions may be submitted online at www.linkmarketservices.com.au by logging into your holding, selecting vote and then 'ask a question'.</p>



Explanatory Statement

1. Background

1.1 Introduction

The Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of the Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions set out in the accompanying Notice. It explains the resolutions and identifies the Board's reasons for putting them to Shareholders.

1.2 Action to be taken by Shareholders

Shareholders should read this Explanatory Statement carefully before deciding how to vote on the resolutions set out in the Notice.

All Shareholders are invited and encouraged to attend the Meeting. If Shareholders are unable to participate in the meeting, a proxy form should be completed either as a hard copy or online through the Link Market Services voting portal. Lodgement of an electronic proxy form will not preclude a Shareholder from attending the Meeting and voting at the Meeting, but the person appointed as the proxy must not exercise the rights conferred by the electronic proxy form.

2. Resolutions

2.1 Item 1 – Financial Report, Directors' Report and Auditor's Report

In accordance with section 317 of the Corporations Act 2001 (Cth) (**Corporations Act**), the directors of a public company are required to hold an annual general meeting and present the financial report for the previous financial year before its shareholders at each meeting.

All relevant information concerning the Company's financial report, directors' report and the auditor's report for the year ended 30 June 2022 is contained in the "Annual Accounts and Reports" document (**2022 Annual Report**). A copy of the 2022 Annual Report is available at: <https://4dmedical.com/investor-services>, or on request to the Company Secretary, at companysecretary@4dmedical.com. A copy of the 2022 Annual Report will also be tabled at the Meeting.

Voting on this item is not required and a formal resolution to adopt the 2022 Annual Report will not be put to Shareholders at the Meeting. The purpose of this item is to provide Shareholders with the opportunity to ask questions or discuss matters arising from them. It is not the purpose of the Meeting that any of these reports be accepted, rejected or modified in any way.

The Company's auditor (PKF Melbourne) will be present at the Meeting and will be available to answer questions as to the conduct of the audit and the auditor's report.



2.2 Item 2 – Adoption of Remuneration Report

The Remuneration Report contained in the Company's 2022 Annual Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 30 June 2022. Shareholders are encouraged to submit questions on the Remuneration Report to the Company Secretary in advance of the Meeting.

Shareholders will have a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.

As prescribed by section 250R of the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the Meeting into account in setting remuneration policy for future years.

Recommendation

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2022 and is made in accordance with a unanimous resolution of the Directors. 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 Directors recommend that Shareholders vote in favour of the resolution to approve the Remuneration Report.

2.3 Item 3 – Election of Director

Ms Evonne Collier

Ms Evonne Collier was appointed as independent non-executive director of the Company on 17 December 2021.

The ASX Listing Rules require the Company to hold an election of Directors each year. The Listing Rules and Constitution also require that any Director appointed to fill a casual vacancy will hold office until the next following annual general meeting, at which time that Director is to retire from office and is eligible for re-election. Accordingly, Ms Collier ceases to hold office in accordance with clause 13.1 of the Constitution, and being eligible, seeks re-election.

Information about Ms Collier

Skills and experience:

Ms Collier is a highly experienced leader combining current board (ASX, private, publicly unlisted) and governance experience with a successful career in Executive Director level Marketing, Innovation/Tech and Commercial roles managing large P&L's and balance sheets across diverse industries in blue-chip, multi-national organisations. She has a track record in bringing high growth strategic direction to organisations including commercialising transformative, new to world products and services & an expert background in driving brand



profile, customer experience/journeying and growing market share and sales across channels, including digital products/services.

She has served as a Chair and non-executive director on various boards since 2011 and currently serves as non-executive director of global SaaS analytics company, Sage Automation (Chair of the Digital Products board), SaaS FinTech, Sniip (Remuneration and Nominations Chair) and Motorama Group Automotive Holdings (Chair Marketing and Digital Committee) and is Chair of digi-health company Curae Health and the global e-Commerce Gym & Fitness Supplies. Ms Collier was previously non-executive director and Chair of ASX listed entities Think Childcare (ASX:TNK) and Vault Intelligence (ASX:VLT) respectively.

Ms Collier is an independent director and is Chair of the Remuneration and Nomination Committee.

Ms Collier was previously non-executive director of ASX listed entities 1300Smiles (ASX:ONT) and Vault Intelligence (ASX:VLT).

Recommendation

The Board (other than Ms Collier) recommends that Shareholders vote in favour of Item 3.

2.4 Item 4 – Re-election of Director

Mr John Livingston

Mr John Livingston was appointed as non-executive director of the Company on 7 March 2018 and became an executive director on 1 May 2022.

The ASX Listing Rules and the Constitution provide that no director may hold office beyond the third annual general meeting following their election. Accordingly, Mr Livingston ceases to hold office in accordance with clause 13.3(a) of the Constitution and Listing Rule 14.4 and, being eligible, seeks re-election.

Information about Mr Livingston

Skills and experience:

Mr Livingston was previously one of the founding partners of Lake Imaging, subsequently becoming part of Integral Diagnostics Ltd., where Mr Livingston was Chief Executive Officer and Managing Director. Mr Livingston was awarded the AGFA International Award for Development of Digital Imaging Solutions in 2005.

He has lectured in Australia and abroad on the digital radiology environment, as well as business strategies and systems within the commercial sector. Mr Livingston has considerable commercial experience, having worked with the team at Lake Imaging and later Integral Diagnostics through acquisitions and the establishment of Greenfield facilities across Australia. During his career at Integral Diagnostics, Mr Livingston lead the group through private equity investment with Advent Partners in 2014 and in 2015 John worked with Advent to list Integral Diagnostics on the ASX.



Mr Livingston is a former director of VicWest Community Telco and United Way; a current director at QScan, Comrad Medical Systems (Chairman) and Ballarat Clarendon College (past Chairman); and is a graduate member of the AICD.

Mr Livingston is an executive director and a member of the Remuneration and Nomination Committee.

Recommendation

The Board (other than Mr Livingston) recommends that Shareholders vote in favour of Item 4.

2.5 Item 5 – Re-election of Director

Mr Julian Sutton

Mr Julian Sutton was appointed as a non-executive director of the Company on 15 September 2017.

The ASX Listing Rules and the Constitution provide that no director may hold office beyond the third annual general meeting following their election. Accordingly, Mr Sutton ceases to hold office in accordance with clause 13.3(a) of the Constitution and Listing Rule 14.4 and, being eligible, seeks re-election.

Information about Mr Sutton

Skills and experience:

Mr Sutton began his career as an actuarial analyst for Towers Perrin in Melbourne where he consulted to some of Australia's largest superannuation funds. He later worked for Towers Perrin in Brussels and London as an asset consultant before moving to Credit Suisse Asset Management and then Schroders Investment Management as a portfolio manager in their respective multi-manager teams.

After twelve years in London, Julian returned home and formed a sales and marketing business helping best-in-class international fund management companies establish a presence in the Australian market. Currently, Mr Sutton is responsible for the sales and marketing function of Brown Advisory in Australia.

Mr Sutton is actively involved in Australia's start-up industry. He was an early investor in 4DMedical and joined the board as a non-executive director in 2017. He is also an investor and non-executive director at Perth-based biosensor company, VitalTrace.

Mr Sutton completed his Bachelor of Science degree at Monash University majoring in statistics and is a Chartered Financial Analyst (CFA) charterholder.

Mr Sutton is a member of the Audit and Risk Committee.

Recommendation

The Board (other than Mr Sutton) recommends that Shareholders vote in favour of Item 5.



2.6 Item 6 – Grant of Options to the Managing Director and CEO

Shareholder approval is sought under ASX Listing Rule 10.14 for the Board to grant up to 1,850,914 options (**Options**) to Dr Andreas Fouras, Founder, Managing Director and CEO of the Company.

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company (ASX Listing Rule 10.14.1);
- an associate of a director of the company (ASX Listing Rule 10.14.2); or
- a person whose relationship within the company or a person referred to in ASX Listing Rule 10.14.1 or ASX 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (ASX Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

As Dr Fouras is a current Director, the proposed grant of Options to Dr Fouras falls within ASX Listing Rule 10.14.1 above, and therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.14. To this end, Item 6 seeks shareholder approval of the grant of Options to Dr Fouras under and for the purposes of ASX Listing Rule 10.14.

Key terms of the proposed LTI grant

The Options are to be granted as the long-term incentive (**LTI**) component of Dr Fouras' remuneration for the year ending 30 June 2023 under the 4DMedical Long Term Incentive Plan (**Incentive Plan**).

It is proposed that up to 1,850,914 options be granted to Dr Fouras, with an exercise price of \$0.95 (95 cents) per option. The exercise price has been calculated based on a 100% premium to the market value of Company shares equal to the 30-day volume weighted average price (VWAP) in the period immediately preceding 30 June 2022. The use of premium priced options is intended to encourage a focus on growing the Company's share price and total shareholder returns, as the Company's share price will need to increase above the exercise price for the Options to deliver any value to Dr Fouras.

If shareholder approval for the grant is obtained, the Options will be issued to Dr Fouras as soon as practicable after the Meeting, but in any event within 12 months after the date of the Meeting. Details of the grant of Options to Dr Fouras will be published in the Company's 2023 Annual Report, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

No loan will be made available to Dr Fouras in relation to the acquisition or exercise of the Options proposed to be granted to him.

Any additional persons covered by ASX Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the Incentive Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

An overview of the vesting conditions and other key terms of the proposed grant of Options to Dr Fouras, including further information required under ASX Listing Rule 10.15, is set out in **Annexure 1**.



Indicative value of proposed LTI grant

The Company has prepared an assessment of the indicative fair value of the Options as summarised below. The value is indicative only, based on assumptions relevant at the date of the calculation, being as at 30 June 2022. Different assumptions may be relevant at grant date which may alter the value of the Options for financial reporting purposes. The total remuneration package referred to below would be increased by the total set out in the following table, based on the assumptions. The actual valuation amount will not be able to be calculated until the Options are issued, at which time the assumptions may have changed.

Assessment	
Indicative fair value per Option	\$0.1247 (12.47 cents)
Total: Options	Up to 1,850,914
Total \$	Up to \$230,769

The indicative fair value was calculated using the Black-Scholes option valuation model. The assumptions used in the valuation model were as follows:

Assumptions:	
Valuation date	30 June 2022 [^]
Spot price	\$0.475 (47.5 cents)
Exercise price	\$0.95 (95 cents) per Option
Probability of achieving vesting conditions	100%
Expiry date	4 years after grant
Expected future volatility ⁺	55%
Risk free rate	3.27%
Dividend yield	Nil

[^] Based on the issue date assumed as being the valuation date.

⁺ Based on assessment of estimated future volatility of the Company

Effect of shareholder approval

As noted above, the proposed grant of Options to Dr Fouras is conditional on receiving shareholder approval. The effect of shareholder approval for Item 6 for the purposes of ASX Listing Rule 10.14 is as follows:

- If Item 6 is passed, the Company will be able to proceed with the proposed grant of Options to Dr Fouras. Further, the issue of such Options to Dr Fouras will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (pursuant to ASX Listing Rule 7.2, Exception 14).
- If Item 6 is not passed, the Company will not be able to proceed with the proposed grant of Options to Dr Fouras. In that circumstance, the Board would then need to consider alternative remuneration arrangements for Dr Fouras consistent with the Company's remuneration principles, such as providing an equivalent long term cash incentive.

The Company has determined that the proposed grant of Options under the Incentive Plan pursuant to this Item 6 as part of Dr Fouras' remuneration package will constitute the giving of



reasonable remuneration for the purposes of Chapter 2E of the Corporations Act and in particular section 211(1) of the Corporations Act.

Disclosures for the purposes of ASX Listing Rule 10.15

The following disclosures are made for the purposes of ASX Listing Rule 10.15:

- a. the name of the person is Dr Andreas Fouras;
- b. Dr Fouras falls within ASX Listing Rule 10.14.1, as he is a Director of the Company;
- c. the number and class of securities proposed to be issued is up to 1,850,914 Options;
- d. Dr Fouras' remuneration package for FY23 is US\$665,625, which comprises fixed remuneration (i.e. cash base salary) of US\$375,000, a short term incentive opportunity of up to US\$140,625, and a long term incentive opportunity for FY23 of up to US\$150,000;
- e. the total number of securities previously issued to Dr Fouras under the Plan are 1,615,719 unlisted options and the average acquisition price was nil;
- f. information about the securities is as follows:
 - A summary of the material terms of the securities is as follows;
 - Exercise price: \$0.95 (95 cents) per Option
 - Expiry Date: 4 years after issue date
 - Vesting condition: Dr Fouras must remain employed by the Company until 30 June 2025
 - An explanation for the use of this type of security is set out above.
 - The total value the entity attributes to these securities is as set out above;
- g. the entity expects to issue the Options within 3 months after the date of the meeting, and in any event, no later than 3 years after the date of the meeting;
- h. the Options will be granted to Dr Fouras at a nil issue price per security;
- i. the material terms of the Plan can be found in **Annexure 1** to this Explanatory Statement;
- j. no loan will be made by the Company in relation to the grant of Options to Dr Fouras;
- k. details of any securities issued under the Plan will be published in the Annual Report of the Company relating to a period in which the securities were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- l. any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan 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.

Retirement/Termination Benefits approval – section 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit a 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 Dr Fouras' unvested Options/Performance Rights in the event Dr Fouras 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 benefits for the purposes of the Corporations Act. Where Dr Fouras ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Options/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 Dr Fouras' 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 2025 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Options/Performance Rights given in connection with Dr Fouras 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 Options/Performance Rights held by Dr Fouras prior to cessation of his/her employment;
- the date when, and circumstances in which, Dr Fouras ceases employment;
- whether performance hurdles are waived or (if not waived) met, and the number of Options/Performance Rights that vest (which could be all of the Options/Performance Rights held by Dr Fouras; and
- the market price of the Company's shares on ASX on the date Shares are provided to Dr Fouras upon vesting of the Options/Performance Rights.

Voting exclusions

A voting exclusion statement applies to Item 6, as set out on page 4 of this notice.

Recommendation

The Board (other than Dr Fouras) recommends that Shareholders vote in favour of Item 6. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

2.7 Item 7 – Renewal of the Proportional Takeover Approval Provisions in the Constitution of Company

Clause 11 of the Company's Constitution contains provisions dealing with shareholder approval requirements if there were to be any partial takeover bids for the Company's securities (**Proportional Takeover Approval Provisions**).



A "**Proportional Bid**" means, as defined by section 9 of the Corporations Act, an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Takeover Approval Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Clause 11) be renewed.

In seeking shareholder approval for the renewal of the Proportional Takeover Bid Provisions, the Corporations Act requires the below information to be provided to members.

Effect of provisions proposed to be renewed

Clause 11.2 of the Constitution provides that, where a Proportional Bid in respect of Shares included in a class of Shares in the Company the Company is prohibited from registering any transfer giving effect to a contract resulting from the acceptance of an offer made under the Proportional Bid unless and until a resolution (**Approving Resolution**) to approve the Proportional Bid is passed, or is deemed to have been passed by shareholders at a general meeting of the Company in accordance with Subdivision C of Part 6.5 of the Corporations Act. The person making the offer for the securities (**Bidder**) (and their Associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than one half of members who are entitled to vote at that meeting.

The day that is 14 days before the last day of the bid period is the **Relevant Day**.

Where, as at the end of the day before the Relevant Day, no Approving Resolution to approve the Proportional Bid has been voted on, an Approval Resolution to approve the Proportional Bid is deemed to have been passed.

If an Approving Resolution is voted on and rejected:

- (a) All offers under the Proportional Bid that have not, as at the end of the Relevant day, resulted in binding contracts are deemed to be withdrawn as the end of the Relevant Day;
- (b) The Bidder must immediately, after the end of the Relevant Day, return to each Shareholder any documents that were sent by the Shareholder to the Bidder with the acceptance of the offer;
- (c) The Bidder may rescind and must, as soon as practicable after the end of the Relevant Day, rescind each contract resulting from the acceptance of an offer made under the Proportional Bid; and
- (d) A Shareholder who has accepted an offer made under the Proportional Bid is entitled to rescind the contract (if any) resulting from that acceptance.



Reason for the resolution

Clause 11 of the Constitution is required to be renewed as more than 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Clause 11 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables shareholders to approve a renewal of Proportional Takeover Approval Provisions.

The Board believes that shareholders should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a Proportional Bid). To preserve this choice, Clause 11 needs to be renewed. If Clause 11 is renewed and any Proportional Bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that shareholder wishes to accept the Proportional Bid for their own securities.

Awareness of current acquisition proposals

As at the date of this Explanatory Statement, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

Advantages and disadvantages of the Proportional Takeover Approval Provisions since last renewed

As there have been no takeover bids made for any of the shares in the Company since the last renewal of the Proportional Takeover Approval Provisions, there has been no application of Clause 11. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Clause 11.

Potential advantages and disadvantages of the proposed resolution for both directors and shareholders

The renewal of the Proportional Takeover Approval Provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the renewal of the Proportional Takeover Approval Provisions has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be approved.

The potential advantages of the Proportional Takeover Approval Provisions for Shareholders of the Company are:

- all Shareholders are given the opportunity to consider and vote upon a Proportional Bid;
- Shareholders have the right to determine by majority vote whether a Proportional Bid should proceed;
- the provisions may assist Shareholders to avoid being locked in as a minority;



- increase in Shareholders' bargaining power which may assist in ensuring that any Proportional Bid is adequately priced; and
- knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the Proportional Bid and whether to accept or reject an offer under the bid.

The potential disadvantages of the Proportional Takeover Approval Provisions for Shareholders include:

- the likelihood of a Proportional Bid being successful may be reduced and the provisions may discourage the making of Proportional Bids in respect of the Company;
- the provisions may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

Board Recommendation

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Takeover Approval Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, shareholder approval is sought pursuant to this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of Item 7.

2.8 Item 8 – Approval of 10% Placement Capacity

Background

The Company is seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue equity securities under the 10% Placement Facility. The effect of this resolution is to allow the Directors to issue equity securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without, or in addition to, using the Company's 15% Capacity under Listing Rule 7.1.

ASX Listing Rules information

Summary of Listing Rule 7.1A

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

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

An 'eligible entity' for the purposes of Listing Rule 7.1A means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity for these purposes. Note however that



if, on the date of the Meeting, the market capitalisation of the Company exceeds \$300 million or the Company has been included in the S&P/ASX 300 Index, then this Resolution will no longer be effective and will be withdrawn.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without further Shareholder approval.

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

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

Formula for Calculating the 10% Placement Facility – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

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

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.



D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

The ability of an entity to issue equity securities under Listing Rule 7.1A is in addition to the entity's 15% Capacity under Listing Rule 7.1. The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula stated above.

Type and Number of Equity Securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has on issue the following classes of quoted equity securities:

ASX Security Code and Description	Total Number
4DX: ORDINARY FULLY PAID	294,491,837

Specific information required by Listing Rule 7.3A

1. Placement Period

The period for which the approval of the 10% Placement Facility will be valid (as set out in Listing Rule 7.1A.1) commences on the date of this Annual General Meeting and expires on the first to occur of the following:

- (a) the date that is 12 months after the date of this Annual General Meeting;
- (b) the time and date of the Company's next Annual General Meeting; and
- (c) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

The Company will only issue and allot the equity securities approved under the 10% Placement Facility during the 10% Placement Period.

2. Minimum Issue Price and Cash Consideration

The equity securities will be issued for cash consideration at an issue price of not less than 75% of the VWAP for the Company's equity securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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



3. Purposes of the Funds Raised

The purposes for which the funds raised by an issue under the 10% Placement Facility under rule 7.1A.2 may be used by the Company include:

- consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
- continued expenditure on the Company's current business and general working capital.

4. Risk of Economic and Voting Dilution

If this resolution is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the dilution table below.

Shareholders may be exposed to economic risk and voting dilution, including the following:

- (a) 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 this Annual General Meeting; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

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

The dilution table below shows the potential dilution of existing Shareholders on the basis of the market price of its quoted ordinary securities as at 23 September 2022 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The dilution table also shows:

- (a) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.



Table 1: Dilution Table

Variable 'A' in Listing Rule 7.1A.2	Dilution Scenario	Assumed Issue Prices, based on:		
		50% decrease in Current Share Price \$0.295	Current Share Price \$0.590	100% increase in Current Share Price \$1.180
Current Variable A 294,491,837 Shares	10% Voting Dilution	29,449,184 Shares		
	Funds raised	\$8,687,509	\$17,375,018	\$34,750,037
50% increase in current Variable A 441,737,756 Shares	10% Voting Dilution	44,173,776 Shares		
	Funds raised	\$13,031,264	\$26,062,528	\$52,125,055
100% increase in current Variable A 588,983,674 Shares	10% Voting Dilution	58,898,367 Shares		
	Funds raised	\$17,375,018	\$34,750,037	\$69,500,074

This dilution table has been prepared on the following assumptions:

- The Company issues the maximum number of equity securities available under the 10% Placement Facility;
- No convertible security (including any Quoted Options issued under the 10% Placement Facility) is exercised and converted into ordinary securities before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Facility consists only of ordinary securities. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.590 being the closing market price of the ordinary securities on ASX on 23 September 2022.

5. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of



Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

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

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

6. Previous Issues under Listing Rule 7.1A.2

Information about equity securities issued under Listing Rule 7.1A.2 in the 12-month period preceding the date of the Meeting is set out as follows:

- (a) The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12-month period preceding the date of this Meeting.
- (b) The Company had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Special Resolution

The ability to issue equity securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution. This means it requires approval of 75% of the votes cast by Shareholders present or represented, and eligible to vote.

Directors Recommendation

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this resolution.



GLOSSARY

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

“\$” means Australian Dollars;

“10% Placement Facility” has the meaning as defined in the Explanatory Statement for Resolution 8;

“10% Placement Period” has the meaning as defined in the Explanatory Statement for Resolution 8;

“15% Capacity” as the meaning as defined in the Explanatory Statement for Resolution 8;

“Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2022;

“ASX” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“Associate” has the meaning given to that term in the Corporations Act for the purposes of subdivision C of Chapter 6.5 of the Corporations Act;

“Auditor’s Report” means the auditor’s report on the Financial Report;

“AEDT” means Australian Eastern Daylight Time.

“Board” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“Chairman” means the person appointed to chair the Meeting of the Company convened by the Notice;

“Closely Related Party” means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

“Company” means 4DMedical Limited ACN 161 684 831;

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

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

“Director” means a Director of the Company;

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

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

“Explanatory Statement” means the explanatory statement which forms part of the Notice;

“Financial Report” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“Incentive Plan” means the Long Term Incentive Plan;

“Key Management Personnel” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“Listing Rules” means the Listing Rules of the ASX;

“Meeting” has the meaning given in the introductory paragraph of the Notice;

“Notice” means the Notice of Meeting accompanying this Explanatory Statement;

“Option” means a right to acquire a Share, subject to conditions specified by the Board;

“Proxy Form” means the proxy form attached to the Notice;

“Quoted Options” means options issued by the Company that are quoted on the ASX

“Remuneration Report” means the remuneration report which forms part of the Directors’ Report of 4D Medical Limited for the financial year ended 30 June 2022 and which is set out in the 2022 Annual Report.

“Share” means a fully paid ordinary share in the capital of the Company;

“Shareholder” means shareholder of the Company;

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

“VWAP” means volume weighted average market price as defined in Listing Rule 19.12.



Annexure 1

Summary of Material Terms of the Long Term Incentive Plan (“Incentive Plan”)

A copy of the Incentive Plan is available on the Company website at <https://investors.4dmedical.com/Investor-Centre/?page=corporate-governance>.

In conjunction with introducing the Incentive Plan, the Company has set up the "4DMedical Employee Share Trust" (Trust), being an employee share trust established by the Company for the purpose of subscribing for or acquiring, delivering, allocating and holding shares for the benefit of selected participants in the Incentive Plan. The current trustee of the Trust is Pacific Custodians Pty Limited ACN 009 682 866.

The key terms and conditions of the Incentive Plan and the Trust are summarised as follows:

- (a) a person is eligible to participate in the Incentive Plan if that person is declared by the Board to be eligible to participate in the Incentive Plan and that person is a Director of any member of the 4DMedical group of companies (Group), a full-time or part-time employee of any member of the Group, or any other person declared by the Board to be eligible;
- (b) as part of the Incentive Plan, eligible participants may be issued options or performance rights over shares in the Company (Awards);
- (c) the Board may determine, in its absolute discretion, the fee (if any) payable by an eligible participant granted an Award (Participant) either for the grant or exercise of the Award;
- (d) under the Incentive Plan, unless shareholder approval is obtained, the number of Awards which may be granted, and which remain unexercised under the Incentive Plan, must not exceed in aggregate 10% of the total issued capital of the Company;
- (e) the number of Awards offered to a Participant from time to time will be determined by the Board in its absolute discretion and in accordance with the terms of the Incentive Plan;
- (f) the Board may determine, in its absolute discretion, the terms and conditions (including performance hurdles and/or vesting conditions) which apply to the vesting of any Awards;
- (g) any Awards held by a Participant which has not vested by the relevant expiry date determined by the Board will lapse;
- (h) where a Participant exercises a vested option or a performance right vests, the Company will instruct the trustee of the Trust (Trustee), to subscribe for, acquire and/or allocate the number of shares for which the Participant is entitled to upon the exercise or vesting, the Trustee will hold those shares on behalf of the Participant. Where the Trustee holds Shares on behalf of a Participant, the Participant will continue to retain and benefit from full dividend rights, voting rights and the right to receive notices of meetings. Participants may withdraw some or all of their Plan Shares from the Trust at any time, subject to any applicable disposal restrictions, by submitting a withdrawal notice to the Company;
- (i) where a Participant ceases employment or office with any member of the Group as a result of a resignation of the Participant or a termination of that Participant’s employment or office in certain circumstances (i.e. due to poor performance, serious or persistent breaches of their employment or engagement contract or serious or gross misconduct):



- (i) vested options may continue to be exercisable up to the expiry date unless otherwise determined by the Board;
 - (ii) vested performance rights which have not been exercised will be immediately exercised unless otherwise determined by the Board; and
 - (iii) any unvested option and/or performance right held by that Participant will immediately lapse and be forfeited;
- (j) if a Participant ceases employment or office with any member of the Group for another reason other than those specified above (i.e. dies, becomes permanently disabled, retires from the workforce or is made redundant):
 - (i) vested options which have not been exercised will continue to be exercisable up to the expiry date;
 - (ii) vested performance rights which have not been exercised will be immediately exercised; and
 - (iii) the Board can determine, in its absolute discretion, the manner in which unvested options and/or performance rights will be dealt with;
- (k) the Board will have the power to vary the terms of the Incentive Plan at any time and in manner in which it thinks fit. However, the Board may only amend a provision which materially reduces the rights of Participants in respect of the Awards where the amendment is required for the purposes of complying with any law or the Listing Rules or in other defined circumstances;
- (l) if a change of control event occurs, (as defined in the Incentive Plan rules); then unless otherwise determined by the Board:
 - (i) unvested options and performance rights granted will vest where the Board considers that all vesting conditions and performance hurdles relating to those options or performance rights have been met;
 - (ii) unvested options and performance rights granted will vest only on a pro rata basis where relevant performance hurdles have not yet been met; and
 - (iii) any option or performance right the Board determines will not vest as specified above will automatically lapse.
- (m) subject to applicable law, the Company may buy-back Awards or shares issued on the exercise of Awards held by a Participant in certain circumstances;
- (n) awards issued to a Participant may not be assigned, transferred or encumbered with a security interest unless otherwise agreed by the Board or that assignment or transfer occurs by force of law on the death of a Participant;
- (o) the Board may determine, in its absolute discretion whether there will be any restrictions on the disposal of or the granting of any security interests over the shares issued on the exercise of Awards;



- (p) the Awards will not give a Participant any voting rights until the relevant Awards have converted into shares; and the Awards will not give a Participant any right to participate in any dividends until the relevant Awards have converted into shares.

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>


BY MAIL

4D Medical 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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of 4D Medical Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the
Meeting (mark box)

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



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Thursday, 3 November 2022 at Melbourne Connect Superfloor, The Forum, 700 Swanston Street, Carlton VIC 3053** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Items 2 & 6: 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 Items 2 & 6, even though the Items 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 ☒

Items

For Against Abstain*

For Against Abstain*

2 Remuneration Report

☐ ☐ ☐

6 Grant of Options to the Managing Director and CEO

☐ ☐ ☐

3 Election of Director,
Ms Evonne Collier

☐ ☐ ☐

7 Renewal of the Proportional Takeover Approval Provisions in the Constitution of Company

☐ ☐ ☐

4 Re-election of Director,
Mr John Livingston

☐ ☐ ☐

8 Approval of 10% Placement Capacity

☐ ☐ ☐

5 Re-election of Director,
Mr Julian Sutton

☐ ☐ ☐


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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

4DX PRX2201C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) on Tuesday, 1 November 2022**, 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

<https://investorcentre.linkgroup.com>

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) as shown on the front of the Proxy Form).



BY MAIL

4DMedical Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

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