



# IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

18 July 2024

**Voting Access Code (VAC):**

Dear Shareholder

## Re: Notice of General Meeting

Notice is hereby given that a General Meeting (**GM**) of Imagination Biosystems Limited (**Imagination** or **Company**) will be held as a hybrid meeting, physically at Level 4, 100 Albert Road, South Melbourne VIC 3205 and virtually via Zoom webinar [https://vistra.zoom.us/webinar/register/WN\\_7-q5j7QKStO9LAlf9V\\_ANA](https://vistra.zoom.us/webinar/register/WN_7-q5j7QKStO9LAlf9V_ANA) on Thursday, 22 August 2024 at 10.00am (AEST).

In accordance with recent amendments to the *Corporations Act 2001*, the Company is sending this notification letter instead of dispatching physical copies of the Notice of GM and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website <https://imaginationbiosystems.com/investor-hub/> or at the share registry website <https://www.investorserve.com.au/> by logging in and selecting Company Announcements from the main menu through Investor Centre.
- A complete copy of the Meeting Materials has been posted to the ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "IBX".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

Shareholders who have provided an email address will receive an email to their nominated email address with a link to an electronic copy of the Notice of GM and the Voting Form. If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.investorserve.com.au/>.

If you are unable to access the Notice of GM online, please contact our share registry Boardroom Pty Limited at [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) or 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8.30am and 5.30pm (AEST) Monday to Friday, to arrange a copy.

Note that physical attendance will be limited and available only on an RSVP basis. To register your interest in attending in person, please email [melanie.leydin@vistra.com](mailto:melanie.leydin@vistra.com) for confirmation. Please do not attend in person unless you have received confirmation. Please note that if you are attending in person, you will need your shareholder information including SRN/HIN details.

As noted above, the Meeting will be held as a hybrid meeting, physically at Level 4, 100 Albert Road, South Melbourne VIC 3205 and virtually via Zoom webinar. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online or in person.

**Imagination Biosystems Limited**

ACN 616 305 027

Level 25, 525 Collins Street, Melbourne VIC 3000

[www.imaginationbiosystems.com](http://www.imaginationbiosystems.com)



Whilst live voting will now be available, shareholders are still strongly recommended to submit their votes by proxy to ensure that their votes are counted. Instructions on how to submit votes by proxy are contained within the "Proxies" section within the Notice of Meeting.

VOTING IS NOW OPEN. To vote online in relation to the following account, please follow the instructions below:

**STEP 1:** Visit <https://www.votingonline.com.au/ibxgm2024>

**STEP 2:** Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

**STEP 3:** Enter your **Voting Access Code (VAC)** – as shown in the top right corner of this letter

**STEP 4:** Follow the prompts to vote on each resolution

**Important Note:** For your voting instructions to be valid and counted towards this meeting please ensure your online lodgement is received no later than 10:00am (AEST) on Tuesday 20 August 2024.

Voting instructions received after this time will not be valid for the scheduled meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read "Melanie Leydin".

Melanie Leydin  
Company Secretary  
**Imagion Biosystems Limited**

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**IMAGION BIOSYSTEMS LIMITED**  
**ACN 616 305 027**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00 am (EST)

**DATE:** Thursday, 22 August 2024

**PLACE:** Level 4, 100 Albert Road, South Melbourne VIC 3205 and virtually via the online platform: [https://vistra.zoom.us/webinar/register/WN\\_7-q5j7QKStO9LAlf9V\\_ANA](https://vistra.zoom.us/webinar/register/WN_7-q5j7QKStO9LAlf9V_ANA)

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am (EST) on Tuesday, 20 August 2024.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. SPILL RESOLUTION

Under the Corporations Act, the Company is required to call a shareholders' meeting for the re-election of all Directors who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended 31 December 2023) was approved (excluding the managing director) (**Spill Resolution**). None of the Directors who were in office when the directors' report was approved will stand for re-election and will retire at the conclusion of the Meeting. For this reason, the business of the Meeting does not include any Spill Resolution. Refer to section 1.1 of the Explanatory Statement for further details.

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#### 2. RESOLUTION 1 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to amend the terms of the Convertible Notes as set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO MERCER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of up to 2,350,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO MERCER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 650,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**5. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – BRETT MITCHELL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 375,000 Tranche A Performance Rights, 375,000 Tranche B Performance Rights and 500,000 Tranche C Performance Rights to Brett Mitchell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**6. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – ROBERT PROULX**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 600,000 Tranche A Performance Rights, 600,000 Tranche B Performance Rights and 800,000 Tranche C Performance Rights to Robert Proulx (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

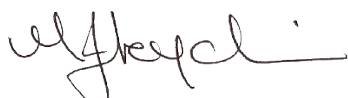
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**7. RESOLUTION 6 – AMENDMENT TO CONSTITUTION**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution in the manner set out in the Explanatory Statement, with effect from the passing of this Resolution”.*

By the order of the Board



Melanie Leydin  
Company Secretary  
18 July 2024

## Voting Prohibition Statements

<b>Resolution 4 – Issue of Performance Rights to Related Party – Brett Mitchell</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 20px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 20px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<b>Resolution 5 – Issue of Performance Rights to Related Party – Robert Proulx</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 20px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 20px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 - Approval To Amend Terms of Convertible Notes</b>	<p>A person who is expected to participate in the issue, or who will obtain a material benefit as a result of, the proposed issued, or is a counterparty to the agreement being approved (namely Mercer) or an associate of that person or those persons.</p>
<b>Resolution 2 – Ratification of prior issue of Shares to Mercer</b>	<p>A person who participated in the issue or is a counterparty to the agreement being approved (namely Mercer) or an associate of that person or those persons.</p>
<b>Resolution 3 – Approval to issue Shares to Mercer</b>	<p>A 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) (namely Mercer) or an associate of that person (or those persons).</p>
<b>Resolution 4 – Issue of Performance Rights to Related Party – Brett Mitchell</b>	<p>Brett Mitchell (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
<b>Resolution 5 – Issue of Performance Rights to Related Party – Robert Proulx</b>	<p>Robert Proulx (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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 the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **How to join the Meeting**

The Meeting will be held as a hybrid meeting, whereby shareholders can attend in person or virtually via the online platform at [https://vistra.zoom.us/webinar/register/WN\\_7-q5j7QKStO9LAIf9V\\_ANA](https://vistra.zoom.us/webinar/register/WN_7-q5j7QKStO9LAIf9V_ANA). Shareholders will be able to participate, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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Note that physical attendance will be limited and available only on an RSVP basis. To register your interest in attending in person, please email [melanie.leydin@vistra.com](mailto:melanie.leydin@vistra.com) for confirmation. Please do not attend in person unless you have received confirmation. Please note that if you are attending in person, you will need your shareholder information including SRN/HIN details.

### **Online Voting Procedures**

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Shareholders who wish to participate in the Meeting online may do so by entering the following URL into an internet browser on your computer, laptop, smartphone, tablet or other smart device: <https://www.votingonline.com.au/ibxgm2024>

You can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (VAC) which can be located on your GM Notification Letter or Notice of Meeting email.
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the online voting user guide for their password details.
3. If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760.

Attending the meeting online enables Shareholders to view the GM live, ask questions and cast direct votes at the appropriate times whilst the meeting is in progress.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 1300 384 692.***

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### **1. BACKGROUND TO SPILL MEETING**

#### **1.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report to be adopted must be put to the shareholders.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote.

At the Company's annual general meeting held on 25 May 2023, the votes cast against the remuneration report considered at that annual general meeting were more than 25%, and a Spill Resolution was not put to vote. Subsequently, at the Company's annual general meeting on 31 May 2024, at least 25% of the votes cast were voted against adoption of the Remuneration Report and accordingly, the Spill Resolution was put to vote.

The Company has convened a Shareholder meeting within 90 days of its most recent annual general meeting as more than 50% of votes cast were in favour of the Spill Resolution.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended 31 December 2023) was approved, other than Robert Proulx who acts as Executive Chairman and Managing Director, will cease to hold office immediately before the end of this Meeting. None of the directors of the Company who were in office when the directors' report was approved will stand for re-election.

#### **1.2 Director Nominations**

The Company has received a nomination from Melanie Leydin during the nomination period for Directors.

#### **1.3 Composition of the Board**

The Board of the Company will comprise of the following directors following the meeting:

- (a) Robert Proulx in his capacity as Executive Chairman and Managing Director. Mr Proulx was appointed to the Board on 6 December 2016;
- (b) Brett Mitchell in his capacity as Non-Executive Director. Mr Mitchell was appointed to the Board on 14 June 2024; and
- (c) a director to be appointed by the Board prior to the Meeting.



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## 2. RESOLUTION 1 – APPROVAL TO AMEND TERMS OF CONVERTIBLE NOTES

### 2.1 Background

As announced on 7 March 2023, the Company entered into a convertible securities agreement with Mercer Street Global Opportunity Fund, LLC (**Mercer**), a US-based investment fund managed by Mercer Street Capital Partners, LLC whereby Mercer agreed to subscribe for, and the Company agreed to issue convertible notes (**Convertible Notes**) for an aggregate subscription amount of up to \$15,000,000 (**Convertible Securities Agreement**). A summary of the material terms of the Convertible Securities Agreement is set out in Schedule 1.

On 21 March 2023, 1,650,000 Convertible Notes (**First Convertible Notes**) and 14,138,956 Options were issued to Mercer in consideration for \$1.5 million. The issue of the First Convertible Notes was ratified by Shareholders pursuant to ASX Listing Rule 7.4 at the Company's annual general meeting held on 25 May 2023 (**AGM**).

On 31 May 2023, 1,100,000 Convertible Notes (**Second Convertible Notes**) and 28,089,888 Options were issued to Mercer in consideration for \$1 million. The issue of Second Convertible Notes was approved by Shareholders pursuant to ASX Listing Rule 7.1 at the AGM.

The Company obtained Shareholder approval for the issue of up to 13,750,000 Convertible Notes (**Subsequent Convertible Notes**) and 750,000,000 Options to Mercer under the Convertible Securities Agreement at the AGM.

On 25 August 2023, 1,100,000 Subsequent Convertible Notes and 46,583,851 Options were issued to Mercer. The Company obtained Shareholder approval for the issue of up to 12,650,000 Subsequent Convertible Notes and 690,000,000 Options to Mercer at its general meeting held on 13 November 2023.

On 5 June 2024, 242,000 additional Subsequent Convertible Notes and 2,048,122 Options were issued to Mercer in consideration for \$220,000.

### 2.2 Proposed Amendments to the Convertible Securities Agreement

On 15 July 2024, the Company entered into a deed of variation with Mercer (**Deed**), pursuant to which the Company and Mercer agreed, subject to shareholder approval, to amend the Convertible Securities Agreement as follows:

	Existing Term	Amended Term
<b>Floor Price</b>	<p>\$0.50, subject to adjustment in accordance with the Convertible Securities Agreement.</p> <p>Upon the occurrence of any consolidation, subdivision or pro-rata cancellation of the Company's issued capital, or any payment of a dividend or distribution of Shares, which for the avoidance of doubt, does not include a rights issue or bonus issue, the Floor Price shall be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, as the</p>	<p>\$0.04, subject to adjustment in accordance with the Convertible Securities Agreement.</p> <p>Upon the occurrence of any consolidation, subdivision or pro-rata cancellation of the Company's issued capital, or any payment of a dividend or distribution of Shares, which for the avoidance of doubt, does not include a rights issue or bonus issue, the Floor Price shall be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, as the</p>

	case may be, consolidated, subdivided or cancelled.	case may be, consolidated, subdivided or cancelled.
<b>Qualifying Capital Raising</b>	<p>If a capital raising occurs which raises \$10,000,000 or more, the Company must give Mercer written notice of such event. Mercer may require repayment by the Company of some or all of the Convertible Notes, by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company. Repayment of the nominated outstanding Convertible Notes must occur 5 Business Days after the date the on which notice is given to Mercer by the Company.</p>	<p>If a capital raising occurs which raises \$10,000,000 or more (<b>Qualifying Capital Raising</b>), the Company must give Mercer written notice of such event. In circumstances where:</p> <p>(a) the Qualifying Capital Raising is between \$10 million and \$15 million, Mercer may require repayment by the Company of some or all of up to 50% of the Convertible Notes; and</p> <p>(b) where the Qualifying Capital Raising is more than \$15 million, Mercer may require repayment by the Company of some or all of up to 100% of the Convertible Notes,</p> <p>by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company. Repayment of the nominated outstanding Convertible Notes must occur 5 Business Days after the date the on which notice is given to Mercer by the Company.</p>
<b>Maturity Date</b>	<p>(a) In respect of the First and Second Convertible Notes, the maturity date is 18 months from the date of issue.</p> <p>(b) In respect of the Subsequent Convertible Notes, the Maturity Date is 18 months from the issue date.</p>	<p>(a) In respect of the First and Second Convertible Notes, the maturity date is 30 months from the date of issue.</p> <p>(b) In respect of the Subsequent Convertible Notes, the Maturity Date is 18 months from the expiry date.</p>

Each of the above, an **Amendment** and together, the **Amendments**.

In addition, Mercer agreed that, provided no event of default (**Event of Default**) occurs from the date of the execution of the Deed until 31 December 2024, Mercer will not exercise its right to convert any of the Convertible Notes without the prior written consent of the Company (which is not to be unreasonably withheld).

The Company notes that its Securities were suspended from quotation from 2 April 2024 to 14 June 2024 (**Suspension**), which constituted an Event of Default. Subject to Shareholder approval being obtained in respect of the Amendments and for

the issue of the Mercer Shares (as that term is defined in Section 3.1), Mercer agrees to waive any rights under the Convertible Securities Agreement in respect of the Event of Default arising from the Suspension.

### **2.3 Listing Rule 7.1**

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

Shareholder approval in respect of the Amendments is required under ASX Listing Rule 7.1 as an amendment to the terms of a convertible security is treated as a new issue of the Convertible Notes for the purposes of the ASX Listing Rules and does not fall within any of the exceptions set out in Listing Rule 7.2. While the deemed new issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

In light of the above, the Company and Mercer agreed that the Amendments would be subject to Shareholder approval.

### **2.4 Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Convertible Notes (and any Shares issued on conversion of the Convertible Notes) will be excluded from the calculation of the number of equity securities that the Company can issue or agree to issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed (and assuming Shareholder approval for the Amendments has not otherwise been obtained within 60 days of the Deed, it would constitute an event of default under the Convertible Securities Agreement and Mercer may in its sole discretion:

- (a) declare, by notice to the Company, effective immediately, all outstanding obligations by the Company under the Convertible Securities Agreement (including without limitation any amount of the face value of the Convertible Notes which has not been satisfied) to be immediately due and payable; or
- (b) terminate the Convertible Securities Agreement by notice to the Company (including without limitation any amount of the face value of the Convertible Notes which has not been satisfied) become immediately payable.

### **2.5 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Convertible Notes were issued to Mercer;
- (b) the Convertible Notes were issued to Mercer on the dates set out in Section 2.1;

- (c) an aggregate of 4,092,000 Convertible Notes were issued, which will convert into a maximum of 102,300,000 Shares;
- (d) the Convertible Notes were issued on the terms and conditions set out in Schedule 1;
- (e) any Shares issued on the conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the face value is \$1 per Convertible Note. The Company has not and will not receive any other consideration for the issue of the Convertible Notes; and
- (g) the Convertible Notes the subject of this Resolution 1 were issued to Mercer under the Convertible Securities Agreement. A summary of the material terms of the Convertible Securities Agreement is set out in Schedule 1; and
- (h) the Convertible Notes were not issued under, or to fund, a reverse takeover and the Amendments are not being completed in connection with a reverse takeover.

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### 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO MERCER

#### 3.1 General

On 15 July 2024, the Company and Mercer entered into the Deed pursuant to which Mercer agreed to waive all rights of redemption of the Convertible Notes issued under the Convertible Securities Agreement that would otherwise have been triggered by the Suspension. In consideration, the Company agreed to issue Mercer 3,000,000 Shares (**Mercer Shares**).

On 16 July 2024, the Company issued 2,350,000 Shares to Mercer.

The issue of the Mercer Shares did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 2.3 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Mercer Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Mercer Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking

Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Mercer Shares.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 2,350,000 Mercer Shares.

### **3.2 Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, the Mercer Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Mercer Shares.

If Resolution 2 is not passed, the Mercer Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Mercer Shares.

### **3.3 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Mercer Shares were issued to Mercer;
- (b) 2,350,000 Mercer Shares were issued and the Mercer Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Mercer Shares were issued on 16 July 2024;
- (d) the Mercer Shares were issued at a nil issue price, in consideration for Mercer agreeing to waive its rights of redemption under the Convertible Securities Agreement that would otherwise be triggered by the Suspension;
- (e) the purpose of the issue of the Mercer Shares was to satisfy the Company's obligations under the Deed; and
- (f) the Mercer Shares were issued to Mercer under the Deed, the material terms of which are summarised in Section 2.2 above.

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## **4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO MERCER**

### **4.1 General**

The Company agreed to issue the balance of the Mercer Shares, being 650,000 Shares, subject to Shareholder approval.

As summarised in Section 2.3 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Mercer Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the balance of the Mercer Shares. In addition, the issue of the Mercer Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the balance of the Mercer Shares and may need to seek other means to compensate Mercer for agreeing to waive its rights of redemption.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Mercer Shares.

## 4.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Mercer Shares will be issued to Mercer;
- (b) the maximum number of Mercer Shares to be issued under Resolution 3 is 650,000 Shares. The Mercer Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Mercer Shares will occur on the same date;
- (d) the Mercer Shares will be issued at a nil issue price, in consideration for Mercer agreeing to waive its rights of redemption under the Convertible Securities Agreement that would otherwise be triggered by the Suspension;
- (e) the purpose of the issue of the Mercer Shares is to satisfy the Company's obligations under the Deed;
- (f) the Mercer Shares are being issued to Mercer under the Deed, the material terms of which are summarised in Section 4.1 above; and
- (g) the Mercer Shares are not being issued under, or to fund, a reverse takeover.

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## 5. RESOLUTIONS 4 AND 5 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

### 5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 3,250,000 Performance Rights to Brett Mitchell and Robert Proulx (or their nominees) (**Related Parties**) on the terms and conditions set out below.

Details of the Performance Rights proposed to be issued to the Related Parties are set out in the table below:

	Class	Quantity	Vesting Condition	Expiry Date
<b>Brett Mitchell</b>	A	375,000	The Company achieving a Share price of a least \$0.10 over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
	B	375,000	The Company achieving and sustaining a market capitalisation of at least \$7.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
	C	500,000	The Company achieving and sustaining a market capitalisation of at least \$12.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
<b>Robert Proulx</b>	A	600,000	The Company achieving a Share price of a least \$0.10 over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
	B	600,000	The Company achieving and sustaining a market capitalisation of at least \$7.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
	C	800,000	The Company achieving and sustaining a market capitalisation of at least \$12.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.

Resolutions 4 and 5 seek Shareholder approval for the issue of the Performance Rights to the Related Parties.

## 5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

The Directors (other than the Related Parties who have a material personal interest in Resolutions 4 and 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### 5.3 Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

The issue of Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 and 5 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.11.

### 5.4 Technical information required by Listing Rule 14.1A

If either or both of Resolutions 4 and 5 are passed, the Company will be able to proceed with the issue of the Performance Rights to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If either or both of Resolutions 4 and 5 are not passed, the Company will not be able to proceed with the issue of the Performance Rights.

Resolutions 4 and 5 are independent of one another.

### 5.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 of the Corporations Act, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Performance Rights will be issued to the following persons:
  - (i) Brett Mitchell (or his nominee) pursuant to Resolution 4; and
  - (ii) Robert Proulx (or his nominee) pursuant to Resolution 5,



each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

- (b) the maximum number of Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 3,250,000 comprising:
  - (i) 375,000 Tranche A Performance Rights, 375,000 Tranche B Performance Rights and 500,000 Tranche C Performance Rights to Brett Mitchell (or his nominee) pursuant to Resolution 4; and
  - (ii) 600,000 Tranche A Performance Rights, 600,000 Tranche B Performance Rights and 800,000 Tranche C Performance Rights to Robert Proulx (or his nominee) pursuant to Resolution 5;
- (c) the terms and conditions of the Performance Rights are set out in Schedule 2;
- (d) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (e) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (f) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (g) the Company has agreed to issue the Performance Rights to the Related Parties subject to Shareholder for the following reasons:
  - (i) the Performance Rights are unquoted; therefore, the issue of the Performance Rights will have no immediate dilutionary impact on Shareholders;
  - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Performance Rights is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Performance Rights to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;
- (h) the number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:

- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- (ii) the remuneration of the Related Parties; and
- (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;

- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Previous Financial Year Ended 31 December 2023	Current Financial Year Ending 31 December 2024
Brett Mitchell <sup>1</sup>	-	\$125,704 <sup>2</sup>
Robert Proulx	\$409,301	\$203,995 <sup>3</sup>

**Notes:**

- 1. Appointed as a Director on 14 June 2024.
- 2. Comprising Directors' fees of \$32,266 and share-based payments of \$93,438 (being the value of the Performance Rights).
- 3. Comprising Directors' fees of US\$36,750 and share-based payments of \$149,500 (being the value of the Performance Rights).

- (j) the Performance Rights are not being issued under an agreement;
- (k) a voting exclusion statement is included in Resolutions 4 and 5 of the Notice.

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## 6. RESOLUTION 6 – AMENDMENT TO CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to provide for the insertion of a new clause 16.2.

### Use of technology (clause 16.2)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

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## GLOSSARY

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**\$** means Australian dollars.

**AGM** has the meaning given in Section 2.1.

**Amendments** has the meaning given in Section 2.2.

**Amended Constitution** has the meaning given in Section 6.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a Business Day.

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

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

**Company** means Imagion Biosystems Limited (ACN 616 305 027).

**Constitution** means the Company's constitution adopted by Shareholders on 21 June 2017, as amended and approved by Shareholders on 25 May 2023.

**Convertible Notes** has the meaning given in Section 2.1.

**Convertible Securities** means the First Convertible Notes, the Second Convertible Notes, the Subsequent Convertible Notes and any of them.

**Convertible Securities Agreement** has the meaning given in Section 2.1.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Deed** has the meaning given in Section 2.2.

**Directors** means the current directors of the Company.

**EST** means Eastern Standard Time as observed in Melbourne, Victoria.

**Event of Default** has the meaning given in Section 2.2.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**First Convertible Notes** has the meaning given in Section 2.1.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Maturity Date** has the meaning given in Section 2.2.

**Mercer** means Mercer Street Global Opportunity Fund, LLC.

**Mercer Shares** has the meaning given in Section 3.1.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Qualifying Capital Raising** has the meaning given in Section 2.2.

**Related Parties** has the meaning given in Section 5.1.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Second Convertible Notes** has the meaning given in Section 2.1.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Subsequent Convertible Notes** has the meaning given in Section 2.1.

**Suspension** has the meaning given in Section 2.2.

**VWAP** means volume weighted average price.

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## SCHEDULE 1 – CONVERTIBLE NOTES

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### 1. Convertible Securities Agreement

Assuming Resolution 1 is passed, the key terms and conditions of the Convertible Securities Agreement are set out below.

<b>Term</b>	The Convertible Securities Agreement commenced on 7 March 2023 and ends on the Business Day after the repayment or conversion of the face value of all outstanding Convertible Securities and any interest due and payable is made, unless otherwise agreed or terminated prior to this date ( <b>Term</b> ).
<b>Investment</b>	<p>(a) <b>First Convertible Notes:</b> Mercer agreed to advance the Company \$1,500,000 in consideration for which the Company agreed to issue Mercer the First Convertible Notes with an aggregate face value of \$1,650,000;</p> <p>(b) <b>Second Convertible Notes:</b> on or before 31 May 2023, Mercer agreed to advance the Company \$1,000,000 in consideration for which the Company agreed to issue Mercer the Second Convertible Notes with an aggregate face value of \$1,100,000; and</p> <p>(c) <b>Subsequent Convertible Notes:</b> on or before 18 months from execution of the Convertible Securities Agreement, Mercer agreed to advance the Company between \$500,000 and \$12,500,000 (<b>Subsequent Investment Amount</b>) in consideration for which the Company agreed to issue Mercer that number of Subsequent Convertible Notes which is equal to 110% of the relevant Subsequent Investment Amount.</p>
<b>Subsequent Options</b>	<p>(a) Upon each occurrence of Mercer advancing funds in respect of the Subsequent Convertible Notes and the Company issuing Convertible Notes, the Company agrees to issue to Mercer that number of Options which is equal to the Subsequent Investment Amount relating to the Subsequent Convertible Notes issued on such date, divided by the 20-day VWAP per Share immediately prior to the Subsequent Closing Date (<b>Subsequent Options</b>).</p> <p>(b) The Subsequent Options are exercisable at an amount which is equal to 140% of the 20-day VWAP immediately prior to the date of issue of the relevant Subsequent Options, on or before 5:00pm (AEST) on the date that is 36 months from the date of issue.</p>

<b>Shareholding Limit</b>	<p>Mercer shall not be required by the Company to acquire a relevant interest in the Shares, which causes the voting power in the Company of Mercer and its associates (<b>Relevant Interest</b>) to exceed 9.99%, unless Mercer gives its written consent (which may be given or withheld in the Investor's sole and unfettered discretion and on any conditions determined by Mercer) to the Company from time to time in respect of a closing or conversion that Mercer's Relevant Interest may exceed 9.99% but will not exceed 19.99%.</p>
<b>Conversion</b>	<p>(a) Mercer may, at its absolute discretion, convert any Convertible Securities at any time prior to the maturity date, by giving the Company a notice of conversion (<b>Conversion Notice</b>) provided such conversion is for a face value in an amount equal to or greater than \$25,000 (unless the remaining face value of the Convertible Securities on issue is less than \$25,000, in which case, for the full remaining value).</p> <p>(b) The Convertible Securities the subject of a Conversion Notice will convert within 3 Business Days of receipt of a Conversion Notice by the Company.</p> <p>(c) The conversion price is calculated as follows:</p> <ul style="list-style-type: none"> <li>(i) in respect of the First Convertible Notes where a conversion takes place within three months of their issue date, \$0.03; and</li> <li>(ii) at all other times, the higher of: <ul style="list-style-type: none"> <li>(A) 90% of the lowest daily VWAP of Shares for the 15 trading days on which Shares traded on the ASX ending on the date immediately prior to the relevant conversion notice; and</li> <li>(B) the Floor Price.</li> </ul> </li> </ul>
<b>Repayment</b>	<p>(a) If Mercer has not notified the Company in writing by 5:00pm on the day which is 10 Business Days prior to the relevant maturity date that it will be converting the relevant Convertible Securities (in whole or in part), to the extent not already converted or repurchased, the Company agrees to pay in full to Mercer the face value of the Convertible Securities and any accrued and unpaid interest, within 20 Business Days of the maturity date.</p> <p>(b) If an event of default is subsisting after the Company has received 10 Business Days written notice from Mercer setting out the details of the event of default and requiring repayment of the Convertible Securities (<b>Initial Notice Period</b>), the</p>

Company must repay the relevant Convertible Securities held by Mercer, together with any accrued and unpaid interest at the date of such repayment as from the date of service of the notice of default, within 10 Business Days after the end of the Initial Notice Period.

- (c) If a delisting event occurs (**Delisting Event**), the Company must give Mercer written notice of such event. Mercer may require repayment by the Company of some or all of the Convertible Notes by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company (**Mercer Notice**), with repayment to occur 5 Business Days after the date of the Mercer Notice.
- (d) If a change of control event occurs (**Change of Control Event**), the Company must give Mercer written notice of such event. Mercer may require repayment by the Company of some or all of the Convertible Notes by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company, with repayment to occur 5 Business Days after the date of the Mercer Notice.
- (e) If a Qualifying Capital Raising Event occurs, the Company must give Mercer written notice of such event. In circumstances where:
  - (i) the Qualifying Capital Raising Event is between \$10 million and \$15 million, Mercer may require repayment by the Company of some or all of up to 50% of the Convertible Notes; and
  - (ii) where the Qualifying Capital Raising Event is more than \$15 million, Mercer may require repayment by the Company of some or all of up to 100% of the Convertible Notes,

by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company. Repayment of the nominated relevant Convertible Notes must occur 5 Business Days after the date the Mercer Notice is given by to the Company.

For the purposes of this section:

- (a) **Change of Control Event** means each of:
  - (i) a takeover bid being made to acquire all of the Shares and the offer is or becomes unconditional and either the bidder has acquired a relevant interest in more than 50% of the Shares on issue, or the Directors recommend an acceptance of the offer under the takeover bid; and

	<p>(ii) a court approving a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in 100% of the Shares on issue.</p> <p>(b) <b>Delisting Event</b> means where the Company's Shares are no longer quoted on ASX or are suspended from trading on ASX for a period of 20 consecutive Business Days, in any case, other than a result of a Change of Control Event.</p> <p>(c) <b>Qualifying Capital Raising Event</b> means any transactions with a third party or parties in which the Company or any subsidiary issues Shares, debt, equity or equity-linked securities that are convertible into or exercisable for Shares which raises in aggregate \$10,000,000 or more during the Term.</p>
<b>Interest</b>	<p>(a) No interest is payable on the unconverted drawn down funds.</p> <p>(b) Upon an event of default occurring, the Company must pay interest at a rate of 15% per annum, calculated daily and compounding monthly, on the amount of the face value of all Convertible Notes and Options issued, payable on demand by Mercer and accruing from the date of the event of default for so long as the event has not been remedied and any part of the face value remains outstanding.</p>
<b>Repurchase</b>	<p>(a) Provided that:</p> <p>(i) the Company is at all times in compliance with its obligations under the Convertible Securities Agreement;</p> <p>(ii) there is no existing event of default; and</p> <p>(iii) Mercer has not issued a Conversion Notice in respect of the Convertible Notes and Options,</p> <p>the Company may elect to repurchase all of the outstanding Convertible Notes and Options on issue at any time during the Term (<b>Repurchased Securities</b>).</p> <p>(b) The Company must deliver a written repurchase notice (<b>Repurchase Notice</b>) to Mercer setting out:</p> <p>(i) the total number of Convertible Notes and Options on issue, and the number the Company has elected to repurchase; and</p> <p>(ii) the repurchase price, being the face value of each repurchased security multiplied by 1.05.</p> <p>(c) Where Mercer receives a Repurchase Notice, Mercer may elect to convert up to 30% of the</p>



Repurchased Securities set out in the Repurchase Notice by delivering a Conversion Notice to the Company setting out the number of Repurchased Securities its wishes to convert within four (4) Business Days of receipt by Mercer of the Repurchase Notice.

## 2. Terms and Conditions of the Convertible Notes

Assuming Resolution 1 is passed, the key terms and conditions of the Convertible Notes are set out below.

<b>Face Value</b>	In respect of each Convertible Note is \$1.00.
<b>Floor Price</b>	In respect of each Convertible Note is \$0.04.
<b>Maturity Date</b>	<p>(a) In respect of the First and Second Convertible Notes, the maturity date is 30 months from the date of issue.</p> <p>(b) In respect of the Subsequent Convertible Notes, the maturity date is 18 months from the expiry date.</p>
<b>Conversion Price</b>	<p>(a) In respect of the First Convertible Notes, where a conversion takes place within three months of the issue date, \$0.03.</p> <p>(b) At all other times, the higher of:</p> <ul style="list-style-type: none"> <li>(i) 90% of the lowest daily VWAP of Shares for the 15 trading days on which Shares traded on the ASX ending on the date immediately prior to the relevant Conversion Notice; and</li> <li>(ii) the Floor Price.</li> </ul>
<b>Ranking on Conversion</b>	Shares issued on conversion of the Convertible Notes will rank equally with existing Shares on issue.
<b>Security Documents</b>	Repayment of the face value of the Convertible Notes is secured by a first ranking general security granted by the Company in favour of Mercer, subject to permitted securities interests.
<b>Reconstruction of Capital</b>	In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Notes will be reconstructed to the extent necessary to comply with the Listing Rules.
<b>Participation Rights</b>	The Convertible Notes will not carry any entitlement to participate in future issues of Securities by the Company prior to any conversion of the Convertible Notes into Shares.
<b>No Voting Rights</b>	Except as required by the Corporations Act, the Convertible Notes will not carry a right to vote at meetings of the Company prior to any conversion of the Convertible Notes into Shares.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The following is a summary of the key terms and conditions of the Performance Rights:

(a) **Vesting Conditions**

The Performance Rights shall vest as follows:

Class	Vesting Condition	Expiry Date
A	The Company achieving a Share price of a least \$0.10 over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
B	The Company achieving and sustaining a market capitalisation of at least \$7.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.
C	The Company achieving and sustaining a market capitalisation of at least \$12.5 million over 20 consecutive trading days.	4 years from the date of issue or on termination of employment.

(each, a **Vesting Condition**).

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.

(c) **Conversion**

Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Expiry Date**

Each Performance Right shall otherwise expire on or before the date that set out next to the relevant class of Performance Right in paragraph (a) (**Expiry Date**). If the relevant Vesting Condition attached to the Performance Right has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant tranche will automatically lapse at that time.

(e) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other existing Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Timing of issue of Shares on conversion**

Within 5 Business Days after the date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) no changes will be made to the Performance Rights.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
  - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the relevant Vesting Conditions, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraphs (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001 (Cth)* (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within 7 days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.

(s) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be recorded **before 10:00am AEST on Tuesday 20 August 2024.**

### 🖥 TO APPOINT A PROXY ONLINE

- STEP 1:** VISIT <https://www.votingonline.com.au/ibxgm2024>
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy, you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

#### STEP 2: VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to the meeting. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Voting restrictions for KMP

Please note that if you appoint a member of the Company's key management personnel (KMP) (which includes each of the directors) or one of their closely related parties as your proxy, they will not be able to cast your votes on Items 4 & 5 unless you direct them

how to vote or the Chair of the Meeting is your proxy. If you appoint the Chair of the Meeting as your proxy or the Chair of the Meeting is appointed as your proxy by default, but you do not mark a voting box for Items 4 & 5, by completing and submitting this Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy in respect of the relevant Item, even though the Item is indirectly or directly connected with the remuneration of the KMP.

#### STEP 3: SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director, who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **by 10:00am AEST on Tuesday 20 August 2024.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply-Paid Envelope or:**

- 🖥 **Online** <https://www.votingonline.com.au/ibxgm2024>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street,  
Sydney NSW 2000 Australia

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Imagion Biosystems Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at Level 4, 100 Albert Road, South Melbourne, VIC 3205 and **Virtually at** [https://vistra.zoom.us/webinar/register/WN\\_7-g5j7QKSStO9LAlf9V\\_ANA](https://vistra.zoom.us/webinar/register/WN_7-g5j7QKSStO9LAlf9V_ANA) on **Thursday 22 August 2024 at 10:00am AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters. If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of **Resolutions 4 & 5**, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 4 & 5 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies **in favour** of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
\* 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 vote will not be counted in calculating the required majority on a poll.

**Board recommended items.**

**The Board recommends shareholders vote FOR resolutions 1 to 6 inclusive.**

- Resolution 1 Approval to amend terms of convertible notes
- Resolution 2 Ratification of Prior Issue of Shares to Mercer
- Resolution 3 Approval to Issue Shares to Mercer
- Resolution 4 Issue of Performance Rights to related party – Brett Mitchell
- Resolution 5 Issue of Performance Rights to related party – Robert Proulx
- Resolution 6 Amendment to Constitution (**special resolution**)

Board Recommendation	For	Against	Abstain*
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\***Brett Mitchell and Robert Proulx abstaining from making recommendations on Resolution 4 and Resolution 5, relating to an issue of performance rights in which they have a material personal benefit, respectively.**

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2024