

25 March 2022

Dear Shareholders

Notice of Annual General Meeting – Skin Elements Limited

Notice is hereby given that the Annual General Meeting of Shareholders (Meeting) will be held at 1242 Hay Street West Perth WA 6005 on Tuesday 26 April 2022 at 12.00 noon (WST).

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No 3) 2020, the Company will not be sending hard copies of the Notice of Annual General Meeting (NOM) to Shareholders. The NOM can be viewed and downloaded from the online ASX platform at www.asx.com.au, or the Company's website at www.skinelementslimited.com/investors/annualgeneralmeeting.

The health and safety of shareholders, the Company's personnel and other stakeholders is the highest priority. Based on the best information available to the Board, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to vote by voting online at www.linkmarketservices.com.au or by lodging the associated proxy form to the Notice. Shareholders will be able to vote at the Meeting by either lodging a Proxy Form prior to the Meeting, or by poll during the Meeting.

Proxy Forms can be lodged as noted below. Instructions on how to complete the Proxy Form are set out in the NOM.

ONLINE	www.linkmarketservices.com.au
BY MAIL	Skin Elements Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia +61 2 9287 0309
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
LATEST LODGEMENT DATE:	12.00 noon (WST) Sunday 24 April 2022

Shareholders attending the Meeting will be required to comply with all social distancing measures prescribed in government authorities and non-shareholder visitors will be limited.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The NOM should be read in its entirety. If you are in doubt as to how to vote, the Company encourages Shareholders to seek advice from their accountant, solicitor or other professional advisor prior to voting. If you have any difficulties in obtaining a copy of the NOM, please contact Phil Giglia by email (corporate@skinelementslimited.com) or by telephone on (08) 6311 1900.

For and on behalf of the Board.

Yours faithfully
SKIN ELEMENTS LIMITED



Phil Giglia
Company Secretary



SKIN ELEMENTS LIMITED
ACN 608 047 794

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at 1242 Hay Street, West Perth, Western Australia on Tuesday 26 April 2022 at 12.00 noon (WST).

SKIN ELEMENTS LIMITED
ACN 608 047 794

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Skin Elements Limited (**Company**) will be held at 1242 Hay Street, West Perth, Western Australia on Tuesday 26 April 2022 at 12.00 noon (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday 24 April 2022 at 12.00 noon (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. RESOLUTION 1 - REMUNERATION REPORT

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – EQUITY INCENTIVE PLAN

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

"That for the purposes of ASX Listing Rule 7.2 (Exception 13), approval is given to enable the Company to issue Performance Rights under the employee incentive scheme titled "Skin Elements Limited Equity Incentive Plan", on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

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

- (a) a person who is entitled to participate in the Equity Incentive Plan; or
- (b) an associate of 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 providing 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. **RESOLUTION 3 - ISSUE OF CLASS A PERFORMANCE RIGHTS TO MR PETER MALONE**

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

*"That for the purposes of Listing Rule 10.14, s194(4) and s208 of the Corporations Act, approval is given for the Company to issue to Mr Peter Malone (**Mr Malone**) 50,000,000 Class A Performance Rights on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

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

- (a) Mr Malone; or
- (b) an associate of Mr Malone.

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 providing 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

4. **RESOLUTION 4 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR PETER MALONE**

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

*"That for the purposes of Listing Rule 10.14, s194(4) and s208 of the Corporations Act, approval is given for the Company to issue to Mr Peter Malone (**Mr Malone**) 50,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

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

- (a) Mr Malone; or
- (b) an associate of Mr Malone.

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 providing 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

5. **RESOLUTION 5 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR FILIPPO (PHIL) GIGLIA**

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

*"That subject to Resolution 8 being passed, for the purposes of Listing Rule 10.14, s194(4) and s208 of the Corporations Act, approval is given for the Company to issue to Mr Filippo (Phil) Giglia (**Mr Giglia**) 10,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

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

- (a) Mr Giglia; or
- (b) an associate of Mr Giglia.

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 providing 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. **RESOLUTION 6 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR KEVIN LEE CHRISTENSEN**

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

*"That subject to Resolution 9 being passed, for the purposes of Listing Rule 10.14, s194(4) and s208 of the Corporations Act, approval is given for the Company to issue to Mr Kevin Lee Christensen (**Mr Christensen**) 2,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

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

- (a) Mr Christensen; or
- (b) an associate of Mr Christensen.

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 providing 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 - APPROVAL OF 10% PLACEMENT FACILITY

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the 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 Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of, if at the time the approval is sought the Company is proposing to make an issue of equity securities under Listing Rule 7.1A.2, 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 an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution that way; or
- (b) the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodian 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under this Resolution and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Facility. Accordingly, no Shareholders are excluded from voting on this Resolution.

8. RESOLUTION 8 - RE-ELECTION OF MR FILIPPO (PHIL) GIGLIA AS A DIRECTOR

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 13.2 of the Constitution and for all other purposes, Mr Filippo (Phil) Giglia, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

9. RESOLUTION 9 – RE-ELECTION OF MR KEVIN LEE CHRISTENSEN AS A DIRECTOR

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 13.4 of the Constitution and for all other purposes, Mr Kevin Lee Christensen, a Director who was appointed by the Directors on 31 August 2021, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

10. RESOLUTION 10 - RATIFICATION OF PRIOR ISSUE OF SHARES TO LDA CAPITAL LTD – LISTING RULE 7.1

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 27,500,000 Shares to LDA Capital Ltd which were issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely LDA Capital Ltd) or an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

11. RESOLUTION 11 – PROPOSED ISSUE OF SHARES TO LDA CAPITAL LTD

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 35,000,000 Collateral Shares to LDA Capital Ltd on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely LDA Capital Ltd) or an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

12. RESOLUTION 12 - RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 24,650,000 Shares which were issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associated of a person excluded from voting on this Resolution; and
- (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

QUESTIONS AND COMMENTS

Shareholders will be provided the opportunity to ask questions about or make comments on the management of the Company.

Dated: 25 March 2022

By order of the Board

A handwritten signature in blue ink, appearing to read 'Phil Giglia', is written over a light blue horizontal line.

Phil Giglia
Company Secretary

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 1242 Hay Street, West Perth, Western Australia on Tuesday 26 April 2022 at 11.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Background to Resolutions 2, 3, 4, 5, and 6 Equity Incentive Plan
Section 6:	Resolution 2 – Equity Incentive Plan
Section 7:	Resolution 3 – Issue of Class A Performance Rights to Mr Peter Malone
Section 8:	Resolution 4 – Issue of Class B Performance Rights to Mr Peter Malone
Section 9:	Resolution 5 – Issue of Class B Performance Rights to Mr Filippo (Phil) Giglia
Section 10:	Resolution 6 – Issue of Class B Performance Rights to Mr Kevin Lee Christensen
Section 11:	Resolution 7 – Approval of 10% Placement Facility
Section 12:	Resolution 8 – Re-Election of Mr Filippo (Phil) Giglia as a Director
Section 13:	Resolution 9 – Re-Election of Mr Kevin Lee Christensen as a Director
Section 14:	Background to Resolutions 10, 11 and 12 Securities Issues to LDA Capital
Section 15:	Resolution 10 – Ratification of Prior Issue of Shares to LDA Capital Ltd – Listing Rule 7.1
Section 16:	Resolution 11 – Proposed Issue of Shares to LDA Capital
Section 17:	Resolution 12 – Ratification of Prior Issue of Shares – Listing Rule 7.1A
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Skin Elements Limited Equity Incentive Plan
Schedule 3:	Valuation of Performance Rights
Schedule 4:	Securities issues under Listing Rule 7.1A.2 in the previous 12 months

A Proxy Form is located at the end of the Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 24 April 2022 at 11.00am (WST), being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with the Australian government's restrictions on public gatherings.

Due to the rapidly evolving COVID-19 situation, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the meeting in person. Proxy Forms for the meeting should be lodged before 12.00 noon (WST) on Sunday 24 April 2022.

The Company has made arrangements for Shareholders who wish to participate in the Meeting. Those Shareholders should contact the Company by email corporate@skinelementslimited.com or by phone at +61 8 6311 1900 to obtain further details of how to participate and vote at the Meeting by no later than 5.00pm (WST) on Friday 22 April 2022.

Shareholders can also submit any questions in advance of the Meeting by emailing the questions to corporate@skinelementslimited.com by no later than 12.00 noon (WST) Sunday 24 April 2022.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act, the Annual Report for the financial year ended 30 June 2021 must be laid before the Meeting.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.skinelementslimited.com;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary by email at corporate@skinelementslimited.com.

4. RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the Company's remuneration policy and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

If a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting, a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. Please note, if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. OVERVIEW OF RESOLUTIONS 2, 3, 4, 5 & 6 ISSUE OF PERFORMANCE RIGHTS

Skin Elements Limited proposes to issue Performance Rights to directors, management and consultants under the Equity Incentive Plan to recognise and reward past work and to incentivise and retain directors, management and consultants as Skin Elements transitions into commercialisation of its technologies.

The issue of Performance Rights under the Equity Incentive Plan is viewed by the Board of Directors as a cost effective and strategically appropriate method of providing remuneration to directors, management and consultants whilst providing security of retention, preservation of cash, alignment with shareholder values, and participation in the future growth of the Company.

The Company proposes to issue:

- a) Up to 100,000,000 Class A Performance Rights to certain Directors and management, and
- b) Up to 200,000,000 Class B Performance Rights to certain Directors, management, and consultants.

The Company is proposing to issue 50,000,000 Class A Performance Rights to executive director Mr Malone (the subject of Resolution 3) and a total of 62,000,000 Class B Performance Rights to directors Mr Malone, Mr Giglia and Mr Christensen (pursuant to Resolutions 4, 5 and 6). The Company proposes to issue the balance of the Performance Rights to Eligible Participants who are not related parties of the Company.

The full terms and conditions of the Equity Incentive Plan are set out in Schedule 2.

The Class A Performance Rights are to recognise and reward Directors and management for the work undertaken over the past 17 years on the development of the all-natural SE Formula technology including the world leading Soleo Organics sunscreen and InvisiShield SuprCuvr disinfectant products and to position the business for global commercialisation. This work was extensive and undertaken in difficult circumstances. The remuneration provided during this period did not provide for any incentive based recognition or compensation for this work during this period.

The Class A Performance Rights will vest on 31 January 2023 subject to the holder continuing to be engaged by the Company and to perform their duties. This will provide an incentive to enable the Company to retain the services of these key people as it transitions to commercialisation.

The Class B Performance Rights are to attract, incentivise and retain suitable key personnel in a cost-effective manner to drive commercialisation growth and align with shareholder values.

The Class B Performance Rights will vest on the achievement of performance hurdles as set out below which are revenue based and derived from sales of the Company's product range.

The Class B Performance Rights will expire on 31 January 2027 to the extent the performance hurdles have not been met.

The vesting of the Class B Performance Rights upon achievement of the performance hurdles will also be subject to the holder continuing to be engaged by the Company and perform their duties. This will provide an incentive to enable the Company to retain the services of these key personnel as it transitions to commercialisation.

The Class B Performance Rights hurdles are as follows:

Tranche	Class B Performance Milestone	% of Class B Performance Rights Vested
i	The Company receiving total revenue from the sale of its products to an aggregate value of \$25,000,000 after 1 January 2022	25%
ii	The Company receiving total revenue from the sale of its products to an aggregate value of \$50,000,000 after 1 January 2022	25%
iii	The Company receiving total revenue from the sale of its products to an aggregate value of \$75,000,000 after 1 January 2022	25%
iv	The Company receiving total revenue from the sale of its products to an aggregate value of \$100,000,000 after 1 January 2022	25%

Upon the vesting and exercise of Performance Rights, the holder will be issued and will acquire such number of Shares determined in accordance with the Terms and Conditions of the Equity Incentive Plan.

6. RESOLUTION 2 –EQUITY INCENTIVE PLAN

6.1 General

The issue of Performance Rights under the Equity Incentive Plan is viewed by the Board of Directors as a cost effective and strategically appropriate method of providing remuneration to directors, management and consultants whilst providing incentives for retention, preserving cash, aligning with shareholder values, and participation in the future growth of the Company.

Resolution 2 seeks shareholder approval to enable the issue of Performance Rights under the Equity Incentive Plan in accordance with ASX Listing Rule 7.2 Exception 13.

If Resolution 2 is passed, the Company will be able to issue Performance Rights under the Equity Incentive Plan to Eligible Participants (other than directors or related parties) without affecting the Company's ASX Listing Rule 7.1 placement capacity.

If the Resolution is not passed, the Company will not proceed with the Equity Incentive Plan.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 2, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6.2 Listing Rule 7.1 and 7.2 Exception 13

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue Performance Rights to participants other than Directors or other related parties under Listing Rule 7.2 Exception 13 as an exception from Listing Rule 7.1. for a period of three years after shareholders have approved the issue of securities under the Employee Incentive Scheme.

The exemption is only available for the issue of equity securities under the employee incentive scheme up to the maximum number stated in the notice of meeting. The exemption also ceases to be available if there is a material change to the terms of the employee incentive scheme after shareholder approval has been obtained.

6.3 Specific information required by Listing Rule 7.2 Exception 13

In accordance with Listing Rule 7.2 Exception 13, the following information is provided in relation to Resolution 2:

- (a) The Terms and Conditions of the Equity Incentive Plan are set out at Schedule 2.
- (b) No Performance Rights have previously been issued under the Equity Incentive Plan.
- (c) The maximum number of Performance Rights to be issued under the Equity Incentive Plan (including any Performance Rights approved by Shareholders under ASX Listing Rule 10.11), will be 100,000,000 Class A Performance Rights and 200,000,000 Class B Performance Rights.
- (a) A voting exclusion statement is included in the Notice for Resolution 2.

6.4 Directors' recommendations

As each of the Directors are entitled to participate in the Equity Incentive Plan each of the Directors decline to make a recommendation in relation to Resolution 2.

7. RESOLUTION 3 - ISSUE OF CLASS A PERFORMANCE RIGHTS TO MR PETER MALONE

7.1 General

The Company has agreed, subject to Shareholder approval, to issue 50,000,000 Class A Performance Rights to Mr Peter Malone (or his nominee) (**Mr Malone**) pursuant to the Equity Incentive Plan. The Board is committed to recognise and reward Mr Malone for the efforts over the past 17 years on the development of the Company's all-natural SE Formula technology.

If Resolution 3 is passed, the Company will issue the Class A Performance Rights to Mr Malone pursuant to the Equity Incentive Plan.

If the Resolution is not passed, the Company will not issue the Class A Performance Rights to Mr Malone. This will impact the Company's ability to recognise and reward Mr Malone and align his remuneration arrangements in the best long term interests of shareholders. Instead, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for Mr Malone.

Resolution 3 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 3.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 3, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7.2 Section 195 of the Corporations Act

Shareholder approval is being sought under s195(4) of the Corporations Act. Section 195 provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered except in certain circumstances or unless the non-interested directors pass a resolution approving the directors' participation. Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter on the basis that the directors have a material personal interest in the outcome of the resolution.

7.3 Chapter 2E of Corporations Act

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval in the manner set out in Sections 217 to 227 of the Corporations Act and give the benefit within 15 months following the approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The issue of Class A Performance Rights pursuant to the Plan constitutes giving a financial benefit and Mr Malone is a related party by virtue of being a Director.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act will not apply in the current circumstances and accordingly shareholder approval is being sought under Chapter 2E.

7.4 Specific information required by Chapter 2E

Pursuant to and in accordance with the requirements of Chapter 2E of the Corporations Act, the following information is provided in relation to the proposed issue of Class A Performance Rights to Mr Malone.

The related parties to whom the proposed resolution would permit the financial benefit to be given and the nature of the financial benefit

Mr Malone is a related party by virtue of being a Director.

The nature of the financial benefit being provided to Mr Malone is the issue of 50,000,000 Class A Performance Rights.

No cash consideration will be paid by the Mr Malone for the issue of the Performance Rights or for their conversion to Shares upon vesting and exercise in accordance with their terms and conditions.

The details of the financial benefit including reasons for giving the type and quantity of the benefit:

The terms of the Class A Performance Rights are set out in Schedule 2 to this Explanatory Memorandum.

The reasons for giving the type and quantify of benefit to Mr Malone are:

- (a) To recognise and reward Mr Malone for the work undertaken over the past 17 years on the development of the all-natural SE Formula technology including the world leading Soleo Organics sunscreen and InvisiShield SuprCuvr disinfectant products and to position the business for global commercialisation. This work was extensive and undertaken in difficult circumstances. The remuneration provided during this period did not provide for any incentive based recognition or compensation for this work.
- (b) The Class A Performance Rights will vest on 31 January 2023 subject to Mr Malone continuing to be engaged by the Company and to perform his duties. This will provide an incentive to enable the Company to retain the services of Mr Malone as it transitions to commercialisation.
- (c) The grant of Performance Rights instead of cash bonuses enables the Company to conserve its cash reserves to fund operations to transition to commercialisation of its product.
- (d) The number of the Class A Performance Rights has been determined by reference to total remuneration packages for senior executives in comparable life sciences companies.

Related Party Holdings

The relevant interests of Mr Malone in securities of the Company as at the date of this Notice (which are held both directly and indirectly) are as follows:

Ordinary Fully Paid Shares	26,452,596
2019 Performance Rights (not vested)	27,000,000

Dilution effect of Issue of Class A Performance Rights on exiting members' interest

The dilution effect of the issue of the Class A Performance Rights to Mr Malone in the event they vest and are exercised and no other shares are issued in the interim, is as follows:

	Shares	Unlisted Options	2019 Performance Rights
Currently on issue	433,227,266	26,000,000	47,000,000
Class A Performance Rights if vested and exercised	50,000,000		
Total	483,227,266	26,000,000	47,000,000
Percentage Dilution	10.35%	N/A	N/A

Directors' Remuneration

The total remuneration of Mr Malone for the 2021 financial year was \$268,575 comprised as follows:

Cash	\$240,000
2019 Performance Rights	\$28,575
Total	\$268,575

Mr Malone's total remuneration for the 2022 financial year (excluding Performance Rights) comprises of a salary of \$240,000.

Value of Class A Performance Right

The value of the Class A Performance Rights as calculated by Indian Ocean Securities Pty Ltd is \$0.0467 each, representing a total value of \$2,339,000. A copy of the valuation is set out in Schedule 3.

Company's Historical Share Price

The trading history of the Shares on ASX in the 12 months prior to the date of this Notice is:

	Date	Price
Highest	2/12/2021	\$0.074
Lowest	8/11/2021	\$0.046
Latest	23/3/2022	\$0.053

Directors Recommendation

Mr Malone declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Class A Performance Rights should Resolution 3 be passed.

Mr Giglia and Mr Christensen recommend that Shareholders vote in favour of this Resolution 3 for the reasons given above.

Other Information

Under Australian Accounting Standards the Company is required to pro-rata expense the value of the Class A Performance Rights over the life of the Class A Performance Right being the vesting period plus the subsequent 3 year exercise period.

The Board is not aware of any other information that would be reasonable required by Shareholders to allow them to make a decision whether it is the best interests of the Company to pass Resolutions 3.

7.5 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained for the acquisition by directors of equity securities under an employee incentive scheme.

7.6 Specific information required by Listing Rule 10.14

In accordance with Listing Rule 10.14, the following information is provided in relation to Resolution 3:

- (a) The Class A Performance Rights will be issued to Mr Malone or his nominee.
- (b) Mr Malone is a director of the Company.
- (c) The number of Class A Performance Rights to be issued to Mr Malone is 50,000,000.
- (d) Mr Malone's total current remuneration package (excluding the proposed Performance Rights) is a salary of \$240,000 per annum.
- (e) No securities have previously been issued to Mr Malone under the Equity Incentive Plan.
- (f) The terms of the Class A Performance Rights are set out in Schedule 2 and the value attributable to the Class A Performance Rights is set out in Schedule 3.
- (g) The Class A Performance Rights will be issued no later than one month after the date of the Meeting.
- (h) The Class A Performance Rights will be issued for no monetary consideration, in consideration for Mr Malone's services as Executive Chairman.
- (i) The terms of the Equity Incentive Plan are set out in Schedule 2.
- (j) No loan will be made to Mr Malone in relation to the issue of Performance Rights.
- (k) Details of any Performance Rights issued to Mr Malone under the Equity Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue

of Performance Rights under the Equity 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.

- (l) A voting exclusion statement is included in the Notice for Resolution 3.

8. RESOLUTION 4 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR PETER MALONE

8.1 General

The Company has agreed, subject to Shareholder approval, to issue 50,000,000 Class B Performance Rights to Mr Peter Malone (**Mr Malone**) pursuant to the Equity Incentive Plan.

The Board is committed to incentivise and retain Mr Malone in a cost-effective manner to drive commercialisation growth and align with shareholder values.

The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Section 5 and Schedule 2) which are revenue based and derived from sales of the Company's product range, and are subject to Mr Malone continuing to be retained and performing his duties.

If Resolution 4 is passed, the Company will issue the Class B Performance Rights to Mr Malone pursuant to the Equity Incentive Plan.

If the Resolution is not passed, the Company will not grant the Class B Performance Rights to Mr Malone. This may impact the Company's ability to remunerate and incentivise Mr Malone and align his remuneration arrangements in the best long term interests of shareholders. Instead, the Company will need to consider alternative remuneration arrangements, including higher cash components of the remuneration for Mr Malone.

Resolution 4 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 4.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 4, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8.2 Section 195 of the Corporations Act

Shareholder approval is being sought under s195(4) of the Corporations Act. Section 195 provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered except in certain circumstances or unless the non-interested directors pass a resolution approving the directors' participation. Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter on the basis that the directors have a material personal interest in the outcome of the resolution.

8.3 Chapter 2E of Corporations Act

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval in the manner set out in Sections 217 to 227 of the Corporations Act and give the benefit within 15 months following the approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The issue of Class B Performance Rights pursuant to the Plan constitutes giving a financial benefit and Mr Malone is a related party by virtue of being a Director.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act will not apply in the current circumstances and accordingly shareholder approval is being sought under Chapter 2E.

8.4 Specific information required by Chapter 2E

Pursuant to and in accordance with the requirements of Chapter 2E of the Corporations Act, the following information is provided in relation to the proposed issue of Class B Performance Rights to Mr Malone.

The related parties to whom the proposed resolution would permit the financial benefit to be given and the nature of the financial benefit

Mr Malone is a related party by virtue of being a Director.

The nature of the financial benefit being provided to Mr Malone is the issue of 50,000,000 Class B Performance Rights.

No cash consideration will be paid by the Mr Malone for the issue of the Performance Rights or for their conversion to Shares upon vesting and exercise in accordance with their terms and conditions.

The details of the financial benefit including reasons for giving the type and quantity of the benefit:

The terms of the Class B Performance Rights are set out in Schedule 2 to this Explanatory Memorandum.

The reasons for giving the type and quantify of benefit to Mr Malone are it:

- (a) is a reasonable and appropriate method to provide cost effective remuneration as the non cash form of this benefit will allow the Company to conserve cash reserves or make these funds available to its operations.
- (b) has no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed,
- (c) is reasonable and appropriate taking into account the current market price of shares, current market practices and the terms of the Performance Rights, and
- (d) will align the interests of Mr Malone with those of Shareholders.

Related Party Holdings

The relevant interests of Mr Malone in securities of the Company as at the date of this Notice (which are held both directly and indirectly) are as follows:

Ordinary Fully Paid Shares	26,452,596
2019 Performance Rights (not vested)	27,000,000

Dilution effect of Issue of Class B Performance Rights on exiting members' interest

The dilution effect of the issue of the Class B Performance Rights to Mr Malone in the event they vest and are exercised and no other shares are issued in the interim, is as follows:

	Shares	Unlisted Options	2019 Performance Rights
Currently on issue	433,227,266	26,000,000	47,000,000
Class B Performance Rights if vested and exercised	50,000,000		
Total	483,227,266	26,000,000	47,000,000
Percentage Dilution	10.35%	N/A	N/A

Directors' Remuneration

The total remuneration of Mr Malone for the 2021 financial year was \$268,575 comprised as follows:

Cash	\$240,000
2019 Performance Rights	\$28,575
Total	\$268,575

Mr Malone's total remuneration for the 2022 financial year (excluding Performance Rights) comprises of a salary of \$240,000.

Value of the Performance Right

The total value of the Class B Performance Rights as calculated by Indian Ocean Securities Pty Ltd is \$1,082,250. A copy of the valuation is set out in Schedule 3.

Company's Historical Share Price

The trading history of the Shares on ASX in the 12 months prior to the date of this Notice is:

	Date	Price
Highest	2/12/2021	\$0.074
Lowest	8/11/2021	\$0.046
Latest	23/3/2022	\$0.053

Directors Recommendation

Mr Malone declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Class B Performance Rights should Resolution 4 be passed.

Mr Giglia and Mr Christensen recommend that Shareholders vote in favour of this Resolution 4 for the reasons given above.

Other Information

Under Australian Accounting Standards the Company is required to pro-rata expense the value of the Class B Performance Rights over the life of the Class B Performance Right being the vesting period plus the subsequent 3 year exercise period.

The Board is not aware of any other information that would be reasonable required by Shareholders to allow them to make a decision whether it is the best interests of the Company to pass Resolution 4.

8.5 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained for the acquisition by directors of equity securities under an employee incentive scheme.

8.6 Specific information required by Listing Rule 10.14

In accordance with Listing Rule 10.14, the following information is provided in relation to Resolution 4:

- (a) The Class B Performance Rights will be issued to Mr Malone or his nominee.
- (b) Mr Malone is a director of the Company.
- (c) The number of Class B Performance Rights to be issued to Mr Malone is 50,000,000.
- (d) Mr Malone's total current remuneration package (excluding the proposed Performance Rights) is a salary of \$240,000 per annum.
- (e) No securities have previously been issued to Mr Malone under the Equity Incentive Plan.

- (f) The terms of the Class B Performance Rights are set out in Schedule 2 and the value attributable to the Class B Performance Rights is set out in Schedule 3.
- (g) The Class B Performance Rights will be issued no later than one month after the date of the Meeting.
- (h) The Class B Performance Rights will be issued for no monetary consideration, in consideration for Mr Malone's services as Executive Chairman.
- (i) The terms of the Equity Incentive Plan are set out in Schedule 2.
- (j) No loan will be made to Mr Malone in relation to the issue of Performance Rights.
- (k) Details of any Performance Rights issued to Mr Malone under the Equity Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Equity 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.
- (l) A voting exclusion statement is included in the Notice for Resolution 4.

9. RESOLUTION 5 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR FILIPPO (PHIL) GIGLIA

9.1 General

The Company has agreed, subject to Shareholder approval, to issue 10,000,000 Class B Performance Rights to Filippo (Phil) Giglia (or his nominee) (**Mr Giglia**) pursuant to the Equity Incentive Plan.

The Board is committed to incentivise and retain Mr Giglia in a cost-effective manner to drive commercialisation growth and align with shareholder values.

The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Section 5 and Schedule 2) which are revenue based and derived from sales of the Company's product range, and are subject to Mr Giglia continuing to perform his duties.

If Resolution 5 is passed, the Company will issue the Class B Performance Rights to Mr Giglia pursuant to the Equity Incentive Plan.

If the Resolution is not passed, the Company will not grant the Class B Performance Rights to Mr Giglia. This may impact the Company's ability to remunerate and incentivise Mr Giglia and align his remuneration arrangements in the best long term interests of shareholders. Instead, the Company will need to consider alternative remuneration arrangements, including higher cash components of the remuneration for Mr Giglia.

Resolution 5 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 5.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

9.2 Section 195 of the Corporations Act

Shareholder approval is being sought under s195(4) of the Corporations Act. Section 195 provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered except in certain circumstances or unless the non-interested directors pass a resolution approving the directors' participation. Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter on the basis that the directors have a material personal interest in the outcome of the resolution.

9.3 Chapter 2E of Corporations Act

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval in the manner set out in Sections 217 to 227 of the Corporations Act and give the benefit within 15 months following the approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The issue of Class B Performance Rights pursuant to the Plan constitutes giving a financial benefit and Mr Giglia is a related party by virtue of being a Director.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act will not apply in the current circumstances and accordingly shareholder approval is being sought under Chapter 2E.

9.4 Specific information required by Chapter 2E

Pursuant to and in accordance with the requirements of Chapter 2E of the Corporations Act, the following information is provided in relation to the proposed issue of Class B Performance Rights to Mr Giglia.

The related parties to whom the proposed resolution would permit the financial benefit to be given and the nature of the financial benefit

Mr Giglia is a related party by virtue of being a Director.

The nature of the financial benefit being provided to Mr Giglia is the issue of 10,000,000 Class B Performance Rights.

No cash consideration will be paid by the Mr Giglia for the issue of the Performance Rights or for their conversion to Shares upon vesting and exercise in accordance with their terms and conditions.

The details of the financial benefit including reasons for giving the type and quantity of the benefit:

The terms of the Class B Performance Rights are set out in Schedule 2 to this Explanatory Memorandum.

The reasons for giving the type and quantify of benefit to Mr Giglia are it:

- (a) is a reasonable and appropriate method to provide cost effective remuneration as the non cash form of this benefit will allow the Company to conserve cash reserves or make these funds available to its operations;
- (b) has no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;
- (c) is reasonable and appropriate taking into account the current market price of shares, current market practices and the terms of the Performance Rights; and
- (d) will align the interests of Mr Giglia with those of Shareholders.

Related Party Holdings

The relevant interests of Mr Giglia in securities of the Company as at the date of this Notice (which are held both directly and indirectly) are as follows:

Ordinary Fully Paid Shares	4,224,397
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Dilution effect of Issue of Class B Performance Rights on exiting members' interest

The dilution effect of the issue of the Class B Performance Rights to Mr Giglia in the event they vest and are exercised and no other shares are issued in the interim, is as follows:

	Shares	Unlisted Options	2019 Performance Rights
Currently on issue	433,227,266	26,000,000	47,000,000
Class B Performance Rights if vested and exercised	10,000,000		
Total	443,227,266	26,000,000	47,000,000
Percentage Dilution	2.25%	N/A	N/A

Directors' Remuneration

The total remuneration of Mr Giglia for the 2021 financial year was \$26,000.

Mr Giglia's total remuneration for the 2022 financial year (excluding Performance Rights) comprises of director fees of \$60,000 per annum.

Value of the Performance Right

The total value of Class B Performance Rights as calculated by Indian Ocean Securities Pty Ltd is \$216,450. A copy of the valuation is set out in Schedule 3.

Company's Historical Share Price

The trading history of the Shares on ASX in the 12 months prior to the date of this Notice is:

	Date	Price
Highest	2/12/2021	\$0.074
Lowest	8/11/2021	\$0.046
Latest	23/3/2022	\$0.053

Directors Recommendation

Mr Giglia declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Class B Performance Rights should Resolution 5 be passed.

Mr Malone and Mr Christensen recommend that Shareholders vote in favour of this Resolution 5 for the reasons given above.

Other Information

Under Australian Accounting Standards the Company is required to pro-rata expense the value of the Class B Performance Rights over the life of the Class B Performance Right being the vesting period plus the subsequent 3 year exercise period.

The Board is not aware of any other information that would be reasonable required by Shareholders to allow them to make a decision whether it is the best interests of the Company to pass Resolutions 5.

9.5 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained for the acquisition by directors of equity securities under an employee incentive scheme.

9.6 Specific information required by Listing Rule 10.14

In accordance with Listing Rule 10.14, the following information is provided in relation to Resolution 5:

- (a) The Class B Performance Rights will be issued to Mr Giglia or his nominee.
- (b) Mr Giglia is a director of the Company.
- (c) The number of Class B Performance Rights to be issued to Mr Giglia is 10,000,000.
- (d) Mr Giglia's total current remuneration package (excluding the proposed Class B Performance Rights) is \$60,000 per annum.
- (e) No securities have previously been issued to Mr Giglia under the Equity Incentive Plan.

- (f) The terms of the Class B Performance Rights are set out in Schedule 2 and the value attributable to the Class B Performance Rights is set out in Schedule 3.
- (g) The Class B Performance Rights will be issued no later than one month after the date of the Meeting.
- (h) The Class B Performance Rights will be issued for no monetary consideration, in consideration for Mr Giglia's services as a director.
- (i) The terms of the Equity Incentive Plan are set out in Schedule 2.
- (j) No loan will be made to Mr Giglia in relation to the issue of Performance Rights.
- (k) Details of any Performance Rights issued to Mr Giglia under the Equity Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Equity 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.
- (l) A voting exclusion statement is included in the Notice for Resolution 5.

10. RESOLUTION 6 - ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR KEVIN LEE CHRISTENSEN

10.1 General

The Company has agreed, subject to Shareholder approval, to issue 2,000,000 Class B Performance Rights to Mr Kevin Lee Christensen (or his nominee) (**Mr Christensen**) pursuant to the Equity Incentive Plan.

The Board is committed to incentivise and retain Mr Christensen in a cost-effective manner to drive commercialisation growth and align with shareholder values.

The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Section 5 and Schedule 2) which are revenue based and derived from sales of the Company's product range, and are subject to Mr Christensen continuing to perform his duties.

If Resolution 6 is passed, the Company will issue the Class B Performance Rights to Mr Christensen pursuant to the Equity Incentive Plan.

If the Resolution is not passed, the Company will not grant the Class B Performance Rights to Mr Christensen. This may impact the Company's ability to remunerate and incentivise Mr Christensen and align his remuneration arrangements in the best long term interests of shareholders. Instead, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for Mr Christensen.

Resolution 6 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 6.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 6, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10.2 Section 195 of the Corporations Act

Shareholder approval is being sought under s195(4) of the Corporations Act. Section 195 provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered except in certain circumstances or unless the non-interested directors pass a resolution approving the directors' participation. Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter on the basis that the directors have a material personal interest in the outcome of the resolution.

10.3 Chapter 2E of Corporations Act

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval in the manner set out in Sections 217 to 227 of the Corporations Act and give the benefit within 15 months following the approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The issue of Class B Performance Rights pursuant to the Plan constitutes giving a financial benefit and Mr Christensen is a related party by virtue of being a Director.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act will not apply in the current circumstances and accordingly shareholder approval is being sought under Chapter 2E.

10.4 Specific information required by Chapter 2E

Pursuant to and in accordance with the requirements of Chapter 2E of the Corporations Act, the following information is provided in relation to the proposed issue of Class B Performance Rights to Mr Christensen.

The related parties to whom the proposed resolution would permit the financial benefit to be given and the nature of the financial benefit

Mr Christensen is a related party by virtue of being a Director.

The nature of the financial benefit being provided to Mr Christensen is the issue of 2,000,000 Class B Performance Rights.

No cash consideration will be paid by the Mr Christensen for the issue of the Performance Rights or for their conversion to Shares upon vesting and exercise in accordance with their terms and conditions.

The details of the financial benefit including reasons for giving the type and quantity of the benefit:

The terms of the Class B Performance Rights are set out in Schedule 2 to this Explanatory Memorandum.

The reasons for giving the type and quantify of benefit to Mr Christensen are it:

- (a) is a reasonable and appropriate method to provide cost effective remuneration as the non cash form of this benefit will allow the Company to conserve cash reserves or make these funds available to its operations;
- (b) has no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;
- (c) is reasonable and appropriate taking into account the current market price of shares, current market practices and the terms of the Performance Rights; and
- (d) will align the interests of Mr Malone with those of Shareholders.

Related Party Holdings

The relevant interests of Mr Christensen in securities of the Company as at the date of this Notice (which are held both directly and indirectly) are as follows:

Ordinary Fully Paid Shares	37,500
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Dilution effect of Issue of Class B Performance Rights on exiting members' interest

The dilution effect of the issue of the Class B Performance Rights to Mr Christensen in the event they vest and are exercised and no other shares are issued in the interim, is as follows:

	Shares	Unlisted Options	2019 Performance Rights
Currently on issue	433,227,266	26,000,000	47,000,000
Class B Performance Rights if vested and exercised	2,000,000		
Total	435,227,266	26,000,000	47,000,000
Percentage Dilution	0.45%	N/A	N/A

Directors' Remuneration

Mr Christensen's total remuneration for the 2022 financial year (excluding Performance Rights) comprises of director fees of \$60,000 per annum from the date of appointment, 31 August 2021.

Value of the Class B Performance Right

The total value of the Class B Performance Rights as calculated by Indian Ocean Securities Pty Ltd is \$52,900. A copy of the valuation is set out in Schedule 3.

Company's Historical Share Price

The trading history of the Shares on ASX in the 12 months prior to the date of this Notice is:

	Date	Price
Highest	2/12/2021	\$0.074
Lowest	8/11/2021	\$0.046
Latest	23/3/2022	\$0.053

Directors Recommendation

Mr Christensen declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Class B Performance Rights should Resolution 6 be passed.

Mr Malone and Mr Giglia recommend that Shareholders vote in favour of this Resolution 6 for the reasons given above.

Other Information

Under Australian Accounting Standards the Company is required to pro-rata expense the value of the Class B Performance Rights over the life of the Class B Performance Right being the vesting period plus the subsequent 3 year exercise period.

The Board is not aware of any other information that would be reasonable required by Shareholders to allow them to make a decision whether it is the best interests of the Company to pass Resolutions 6.

10.5 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained for the acquisition by directors of equity securities under an employee incentive scheme.

10.6 Specific information required by Listing Rule 10.13

In accordance with Listing Rule 10.14, the following information is provided in relation to Resolution 6:

- (a) The Class B Performance Rights will be issued to Mr Christensen.
- (b) Mr Christensen is a director of the Company.
- (c) The number of Class B Performance Rights to be issued to Mr Christensen is 2,000,000.

- (d) Mr Christensen's total current remuneration package (excluding the proposed Class B Performance Rights) is \$60,000 per annum.
- (e) No securities have previously been issued to Mr Christensen under the Equity Incentive Plan.
- (f) The terms of the Class B Performance Rights are set out in Schedule 2 and the value attributable to the Class A Performance Rights is set out in Schedule 3.
- (g) The Class B Performance Rights will be issued no later than one month after the date of the Meeting.
- (h) The Class B Performance Rights will be issued for no monetary consideration, in consideration for Mr Christensen's services as a director.
- (i) The terms of the Equity Incentive Plan are set out in Schedule 2.
- (j) No loan will be made to Mr Christensen in relation to the issue of Performance Rights.
- (k) Details of any Performance Rights issued to Mr Christensen under the Equity Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Equity 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.
- (l) A voting exclusion statement is included in the Notice for Resolution 6.

11. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

11.1 General

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

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation, as at 23 March 2022, of \$22.9 million.

The Company is seeking Shareholder approval to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c)).

If Resolution 7 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual general meeting, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

11.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) 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 one quoted classes of Equity Securities being SKN ordinary fully paid Shares.

(c) Formula for calculating 10% Placement Facility

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 x D) – E

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

- (i) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

- (iii) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (A) the agreement was entered into before the commencement of the relevant period; or
 - (B) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- (iv) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (vi) less the number of Shares cancelled in the relevant period.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not subsequently been approved by the holders of ordinary securities under Listing Rule 7.4.

Relevant Period is the 12 month period immediately preceding the date of the issue or agreement.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

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

At the date of the Notice, the Company has on issue 433,227,266 Shares and therefore has a capacity to issue:

- (i) 64,984,090 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 7, 43,322,726 Equity Securities under Listing Rule 7.1A.

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 prescribed in Listing Rule 7.1A.2 (refer to 11.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class as an existing quoted class of the Company's Equity Securities calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 11.2(e)(i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the time and date of Shareholder approval 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),

(the **10% Placement Period**).

11.3 Effect of Resolution

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

11.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in Section 11.2.
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) If Resolution 7 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 below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (d) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares 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 the Notice.
- (e) The table also shows:
- (i) 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
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price as at 23 March 2022.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.028 50% decrease in Issue Price	\$0.053 Issue Price	\$0.11 100% increase in Issue Price
Current Variable A 433,227,266 Shares	10% Voting Dilution	43,322,727 Shares	43,322,727 Shares	43,322,727 Shares
	Funds raised	\$1,148,052	\$2,296,105	\$4,592,209
50% increase in current Variable A 649,840,899 Shares	10% Voting Dilution	64,984,090 Shares	64,984,090 Shares	64,984,090 Shares
	Funds raised	\$1,722,078	\$3,444,157	\$6,888,314
100% increase in current Variable A 866,454,532 Shares	10% Voting Dilution	86,645,453 Shares	86,645,453 Shares	86,645,453 Shares
	Funds raised	\$2,296,105	\$4,592,209	\$9,184,418

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) 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%.
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (iv) 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.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vi) The issue price is \$0.053 being the closing price of the Shares on ASX on 23 March 2022.
- (f) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (g) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (h) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.
- (i) 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 subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (j) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

- (k) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 January 2021. In the 12 months preceding the date of this Meeting, the Company issued 24,650,000 Equity Securities under Listing Rule 7.1A.2 and this represents 7.6% of the total number of Equity Securities on issue at the commencement of that 12 month period. Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Meeting are set out in Schedule 4.
- (l) A voting exclusion statement is included in the Notice for Resolution 7. However as at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

11.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

12. RESOLUTION 8 – RE-ELECTION OF MR PHIL GIGLIA AS A DIRECTOR

Listing Rule 14.4 requires an election of directors to be held at each annual general meeting.

Article 13.2 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in the case of doubt to the nearest whole number) to retire at each annual general meeting.

Article 13.2 of the Constitution also states that a Director who retires under this article is eligible for re-election.

Resolution 8 provides that Phil Giglia retires by rotation and seeks re-election as Director.

Details of Phil Giglia's background and experience are set out in the Annual Report.

Resolution 8 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

The Directors (excluding Mr Giglia) recommend that Shareholders vote in favour of Resolution 8.

13. RESOLUTION 9 – ELECTION OF MR LEE CHRISTENSEN AS A DIRECTOR

Article 13.4 of the Constitution gives the Directors authority to appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Article 13.4 also states that any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Mr Christensen was appointed by the Directors as a Director on 31 August 2021.

Resolution 9 provides that Lee Christensen retires and seeks re-election as a Director.

Details of Lee Christensen's background and experience are set out in the Annual Report.

Resolution 9 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 9.

The Directors (excluding Mr Christensen) recommend that Shareholders vote in favour of Resolution 9.

14. BACKGROUND TO RESOLUTIONS 10 AND 11 – LDA AGREEMENT

As announced on 6 April 2021, Skin Elements entered into a put option agreement with LDA Capital (**LDA Agreement**) under which LDA Capital agreed to provide Skin Elements with up to \$20 million in committed equity capital over a period of 36 months. The LDA Agreement enables Skin Elements to issue shares to LDA Capital over the 36 month period at the Company's discretion at a floor price to be determined by the Company and receive funds for the issue of those shares.

The material terms of the LDA Agreement are as follows:

Put option structure	The Company may issue capital call notices to LDA Capital during the term of the LDA Agreement with each capital call notice being a put option to LDA Capital requiring LDA Capital to subscribe for and pay for ordinary shares in the Company the subject of the relevant capital call notice, subject to the satisfaction of certain conditions precedent.
Term	36 months from 1 March 2021 (Term).
Facility limit	\$20 million
Issue price of the Company's shares	90% of the higher of: <ul style="list-style-type: none"> the average volume weighted average price of the Company's shares in the 30 trading day period after the issue of a capital call option (subject to any applicable adjustments); and the minimum price notified to LDA Capital by the Company upon the issue of the capital call notice.
Capital call notice limits	The Company may issue a capital call notice for up to 10 times the average daily trading volume of the Company's shares during the 15 trading days prior to the issue of the call notice.
Collateral Shares	<p>Upon issue of a capital call notice, Skin Elements will issue LDA Capital 'collateral shares', for nil consideration, on a one-for-one basis to the number of shares the Company seeks LDA Capital to subscribe for as set out in a capital call notice, less the number of collateral shares already held by LDA Capital at that time (Collateral Shares). The Collateral Shares are ordinary fully paid shares in the capital of the Company.</p> <p>Collateral Shares held by LDA Capital can be used to offset the Company's obligation to issue shares subscribed and paid for by LDA Capital pursuant to a</p>

	capital call notice. Subject to certain limitations set out in the LDA Agreement, LDA Capital may sell Collateral Shares on-market. Any unused Collateral Shares can be bought back by the Company or transferred to a trustee or nominee of the Company for nominal consideration.
Shareholding restriction	LDA Capital may not hold more than 19.9% of the issued share capital of the Company during the Term.
Commitment fee payable to LDA Capital	<p>\$400,000 in cash in four equal instalments at closing of the Company's first four capital calls. If the Company does not drawdown on the facility in the first 24 months of the Term, the Company is liable to the commitment fee of \$400,000 in full at that time.</p> <p>26,000,000 unlisted options were issued to LDA Capital on 30 March 2021.</p>

As at the date of the Notice, the Company has not raised any funds pursuant to the LDA Agreement. However, the Company anticipates issuing its first capital call notice prior to 30 June 2022 (**Initial Draw Down**). The size of the Initial Draw Down has yet to be determined by the Company but it is anticipated that the existing Collateral Shares held by LDA Capital will be used to offset the Company's obligation to issue shares to LDA Capital under the Initial Draw Down.

Pursuant to the Notice, the Company is seeking:

- (a) Shareholder ratification pursuant to Listing Rule 7.4 for the issue to LDA Capital Ltd of 27,500,000 Collateral Shares, that were issued under the Company's placement capacity pursuant to Listing Rule 7.1 on 18 May 2021 (Resolution 10);
- (b) Shareholder approval pursuant to Listing Rule 7.1 for the issue of a further 35,000,000 Shares to LDA Capital Ltd (Resolution 11).

15. RESOLUTIONS 10 - RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

15.1 General

Resolution 10 seeks Shareholder approval to ratify the prior issue of 27,500,000 Shares to LDA Capital Ltd (**LDA Shares**) that was made on 18 May 2021 under the Company's placement capacity pursuant to ASX Listing Rule 7.1.

The LDA Shares were issued to LDA Capital Ltd pursuant to the LDA Agreement as Collateral Shares for nil consideration.

Resolution 10 is an ordinary resolution.

LDA Capital Ltd is not a related party of the Company.

The Chairperson intends to exercise all undirected proxies in favour of Resolution 10.

15.2 ASX Listing Rules

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

The issue of the LDA Shares does not fall within an exception to Listing Rule 7.1 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 issue date.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of 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 confirms that the issue of the Shares did not breach Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.4.

If Resolution 10 is passed, the issue of LDA Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the relevant issue dates (as applicable).

If Resolution 10 is not passed, the issue of LDA Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the relevant issue dates (as applicable).

15.3 Information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) the LDA Shares were issued to LDA Capital Ltd under the LDA Agreement as Collateral Shares.
- (b) a total of 27,500,000 ordinary fully paid Shares were issued.
- (c) the LDA Shares issued rank equally with existing Shares on issue.
- (d) the LDA Shares were issued on 18 May 2021.
- (e) The LDA Shares were issued for nil consideration and no funds have been raised in relation to the LDA Shares issued to LDA Capital Ltd as they were issued as Collateral Shares

- (f) Collateral Shares held by LDA Capital Ltd can be used to offset the Company's obligation to issue shares subscribed and paid for by LDA Capital Ltd pursuant to a capital call notice under the LDA Agreement. Subject to certain limitations set out in the LDA Agreement, LDA Capital Ltd may sell Collateral Shares on-market. Any unused Collateral Shares can be bought back by the Company or transferred to a trustee or nominee of the Company for nominal consideration.
- (g) a voting exclusion statement is included in the Notice for Resolution 10.

15.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 10.

16. RESOLUTION 11 – PROPOSED ISSUE OF NEW SHARES

16.1 General

Resolution 11 seeks Shareholder approval to issue up to 35,000,000 Shares to LDA Capital Ltd (**Additional LDA Shares**).

The Additional LDA Shares are to be issued pursuant to the LDA Agreement as Collateral Shares for nil consideration.

Resolution 11 is an ordinary resolution.

LDA Capital Ltd is not a related party of the Company.

The Chairperson intends to exercise all undirected proxies in favour of Resolution 11.

16.2 ASX Listing Rules

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 7.3.

If Resolution 11 is passed, the issue of the Additional LDA Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the relevant issue dates (as applicable).

If Resolution 11 is not passed, the issue of the Additional LDA Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the relevant issue dates (as applicable).

16.3 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) In the event Resolution 11 is passed, Additional LDA Shares will be issued to LDA Capital Ltd as Collateral Shares in the event that the Company issues a capital call notice to LDA Capital Ltd, to offset the Company's obligation to issue Shares pursuant to any such capital call notice. As set out in section 14 above, upon issue of a capital call notice the Company is required to issue LDA Capital Ltd Collateral Shares on a one for one basis equal to the number of Shares the Company seeks LDA Capital Ltd to subscribe for as set out in the capital call notice, less the number of Collateral Shares already held by LDA Capital Ltd at that time. As noted in section 14, the Company anticipates issuing its first capital call notice prior to 30 June 2022. The Company may also issue further capital call notices within the three month period after the Resolution is passed.
- (b) Up to 35,000,000 ordinary fully paid Shares will be issued.
- (c) The Additional LDA Shares to be issued rank equally with existing Shares on issue.
- (d) It is proposed to issue the Additional LDA Shares within three months of date of the Meeting.
- (e) The Additional LDA Shares will be issued for nil consideration and no funds will be raised in relation to the Additional LDA Shares issued to LDA Capital.
- (f) Collateral Shares held by LDA Capital Ltd can be used to offset the Company's obligation to issue shares subscribed and paid for by LDA Capital Ltd pursuant to a capital call notice under the LDA Agreement. Subject to certain limitations set out in the LDA Agreement, LDA Capital Ltd may sell Collateral Shares on-market. Any unused Collateral Shares can be bought back by the Company or transferred to a trustee or nominee of the Company for nominal consideration.
- (g) A voting exclusion statement is included in the Notice for Resolution 11.

16.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 11.

17. RESOLUTION 12 - RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

17.1 General

On 5 October 2021, the Company announced that it had completed a placement of 26,250,000 Shares to sophisticated and professional investors to raise \$2,100,000 utilising the Company's placement capacity under Listing Rule 7.1 and 7.1A (**Placement**).

None of the parties who were issued securities in the placement are related parties of the Company.

Resolution 12 seeks Shareholder approval to ratify 24,650,000 of the Shares issued under the Placement in accordance with the Company's placement capacity under ASX Listing Rule 7.1A (**7.1A Placement Shares**).

Resolution 12 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 12.

17.2 ASX Listing Rules

Listing Rule 7.1A enables an eligible entity to issue equity securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting, the 10% placement facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

On 29 January 2021, Shareholders approved the Company having the additional capacity to issue equity securities in an amount up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1A. The Company confirms that the issue of the 7.1A Placement Shares did not breach Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1A. To this end, Resolution 12 seeks Shareholder approval for the purposes of Listing Rule 7.4.

If Resolution 12 is passed, the issue of the 7.1A Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 12 is not passed, the issue of the 7.1A Placement Shares will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

17.3 Information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 12:

(a) the 7.1A Placement Shares were issued to:

Name	Number of Shares
Joshua Gray	175,000
Mark Curry	187,500
Hiranthi Gray	250,000
Vanessa Gray	287,500
Benjamin Green	250,000
Randolf Gray	750,000
Mark Rusev	57,500

Name	Number of Shares
Nima Kermani	625,000
Brocklebank Pty Ltd	312,500
Sanjiv Gopinath	500,000
Brian Menzies	1,750,000
Robert Blechynden	125,000
Steven Mercael	125,000
Bruce Nicholson	125,000
Richard Hamersley	312,500
Naasha Kermani	625,000
Princeton College Pty Ltd	625,000
Kevyn Townley	125,000
Kowadine Nominees Pty Ltd	300,000
Emdav Capital Pty Ltd	250,000
Gitterbug Pty Ltd	350,000
Hardy Road Investments Pty Ltd	250,000
Punkah Trading Pty Ltd	125,000
Charles Craig	375,000
Dixon Dean Spaces Pty Ltd	375,000
Remigius Van de Weil & Josephine Croci	250,000
Lin Lzu	625,000
Casa Phoenix Pty Ltd	125,000
TRC International Pty Ltd	125,000
Brett Austin	367,500
James Austin	175,000
2428 Pty Ltd	500,000
Omondali Pty Ltd	300,000
Labanc Pty Ltd	300,000
Five T Capital Pty Ltd	300,000
Sevenspeed Pty Ltd	300,000
Forrester Super Pty Ltd	300,000
Michael Harrington & Gayle Harrington	200,000
Michael Walker	150,000
ACN 137 155 492 Pty Ltd	150,000
Rodney Adler	1,250,000
Nabawa Pty Ltd	6,875,000

Name	Number of Shares
Comnet Management Pty Ltd	1,875,000
Mandalup Investments Pty Ltd	1,250,000
Total	24,650,000

- (b) a total of 24,650,000 Shares were issued under LR 7.1A;
- (c) the 7.1A Placement Shares issued rank equally with existing Shares on issue;
- (d) the 7.1A Placement Shares were issued on 6 October 2021;
- (e) the 7.1A Placement Shares were issued at a price of \$0.08 per Share;
- (f) the funds raised will be used by the Company to fund its stated business plans including the launch of its new TGA registered SuprCuvr hospital grade disinfectant and expansion of its Soleo Organics sunscreen range; and
- (g) a voting exclusion statement is included in the Notice for Resolution 12.

17.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution 12.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

A\$ or \$ means Australian Dollars.

Additional LDA Shares has the meaning given in Section 16.1.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2021.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting, or any part of the Meeting, 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.

Collateral Shares has the meaning given in Section 14.

Company means Skin Elements Limited (ACN 608 047 794).

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

Constitution means the constitution of the Company as at the commencement of the Meeting.

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.

Eligible Participant has the meaning given in Schedule 2.

Equity Incentive Plan means the plan set out in Schedule 2 in relation to the issue of Performance Rights.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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.

LDA Agreement has the meaning given in Section 14.

LDA Capital means LDA Capital Ltd and LDA Capital LLC.

LDA Shares has the meaning given in Section 15.1.

Listing Rules means the listing rules of ASX.

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

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Option means an option which entitles the holder to subscribe for one Share.

Option holder means a holder of an Option.

Performance Right means the right to be issued a Share subject to satisfaction of vesting conditions and/or performance hurdles (if any).

Placement has the meaning given in Section 17.1.

Placement Shares has the meaning given in Section 17.1.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means the holder of a Share.

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

VWAP means the volume weighted average price.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

SCHEDULE 2: TERMS AND CONDITIONS OF THE SKIN ELEMENTS LIMITED EQUITY INCENTIVE PLAN

1. DEFINITIONS

Unless the context otherwise requires:

ASIC means the Australian Securities and Investments Commission

ASX means the ASX Limited (ACN 000 943 377)

Board means the Board of directors of the Company.

Class A Performance Rights means a Performance Right that subject to meeting the Vesting Condition upon exercise converts into one Share.

Class B Performance Rights means a Performance Right that subject to meeting the Vesting Condition and achieving the Class B Performance Milestone upon exercise converts into one Share.

Class B Performance Milestones means the milestones set out in clause 4.1.

Class Order means an instrument issued by ASIC that, among other things, exempts a person(s) from compliance with certain provisions of the Corporations Act, or other acts administered by ASIC.

Company means Skin Elements Limited (ACN 608 047 794) and its subsidiaries.

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

Eligible Contractor means an individual or body corporate with whom the Company has entered into a contract for the provision of services or goods.

Eligible Participant means in relation to the Company:

- a. A director or company secretary.
- b. A full time, part time or casual employee.
- c. An Eligible Contractor.
- d. A person who has entered into an arrangement that will result in the person becoming an Eligible Participant under a, b or c above who is determined by the Board to be eligible to receive grants of Performance Rights under the Plan.

Exercise Notice means a duly completed exercise notice of a Vested Performance Right signed by the Eligible Holder.

Exercise Period means the period ending 3 years from the vesting of the Performance Rights during which a Vested Performance Right may be exercised.

Holder means a holder of a Performance Rights.

Listing Rules means the listing rules of ASX.

Market Value means the closing price of Shares traded on ASX on the last trading day before the Company receives an Exercise Notice.

Offer means an offer of Performance Rights to an Eligible Participant.

Performance Milestones means the Class B Performance Milestones.

Performance Right means an entitlement to a Share subject to satisfaction of any Vesting Conditions or Performance Milestones and the corresponding obligation of the Company to issue the Share granted on the terms and conditions in this Plan.

Performance Right Share means, in respect of any Performance Right, the Share a Holder is entitled to subscribe for by reason of the grant of that Performance Right.

Plan means the Skin Elements Limited 2022 Equity Incentive Plan as set out in this document.

Security Interest means any mortgage, pledge, charge, lien, encumbrance, assignment, security, interest, preferential right, set-off or any other security arrangement.

Securities Trading Policy means the policy established by the Company applicable to trading in securities of the Company.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Vesting Conditions means one or more conditions which must be satisfied or waived before the Performance Right vests with the Holder.

Vested Performance Right means a Performance Right in relation to which all Performance Milestones and Vesting Conditions (if any) have been met.

2. NUMBER OF PERFORMANCE RIGHTS AND ISSUE PRICE

2.1 Offer of Performance Rights

Subject to any necessary approvals from the Company's shareholders or as required by law or by the Listing Rules, the Board may, from time to time, at its absolute discretion, grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan.

2.2 Offer Document

An Offer will be made in writing and must include:

- a. The date of the Offer.
- b. The last date for acceptance of the Offer .
- c. The number of Performance Rights being offered.
- d. The Vesting Conditions and Performance Milestones (if any).
- e. The Expiry Date.
- f. Any other conditions to be attached to the Performance Rights

3. VESTING CONDITIONS

3.1 Class A Performance Rights

The Holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including 31 January 2023.

3.2 Class B Performance Rights

The Holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including the date of satisfaction of the applicable Performance Milestone.

4. PERFORMANCE MILESTONES

4.1 Class B Performance Milestone

The following milestones must be achieved on or before 31 January 2027 before Class B Performance Rights can vest and can be exercised:

Tranche	Performance Milestone	% of Performance Rights vested
A	The Company receiving revenue from the sale of its products to an aggregate value of \$25,000,000 after 1 January 2022.	25%
B	The Company receiving revenue from the sale of its products to an aggregate value of \$50,000,000 after 1 January 2022.	25%
C	The Company receiving revenue from the sale of its products to an aggregate value of \$75,000,000 after 1 January 2022.	25%
D	The Company receiving revenue from the sale of its products to an aggregate value of \$100,000,000 after 1 January 2022.	25%

4.2 Achievement of Milestones

The Board will determine if Class B Performance Milestones have been achieved by reference to the revenue reported in the Company's audited statutory accounts.

4.3 Vesting on Achievement of Performance Milestone

No Class B Performance Rights will vest unless the applicable Performance Milestone has been achieved on or before 31 January 2027.

4.4 Performance Milestones not Achieved

All Class B Performance Rights shall immediately lapse and the Company shall notify the Holder of the same (however, any failure by the Company to make such

notification will have no impact on the lapse of the Performance Right(s)), if the applicable Performance Milestone is not achieved by 31 January 2027.

5. EXERCISE OF VESTED PERFORMANCE RIGHTS

5.1 Exercise Notice

Subject to the remainder of this clause 5 and any adjustment prescribed hereby, a Vested Performance Right may be exercised at any time during the Exercise Period for that Vested Performance Right by giving the Company an Exercise Notice signed by the Holder.

5.2 No Contravention

The issue of Performance Right Shares to a Holder following the exercise of Vested Performance Rights is subject to such issue not contravening the Corporations Act, the Listing Rules, any Class Order on which the Company is reliant, the Securities Trading Policy or any other applicable law.

5.3 Exercise in Part

A Holder must exercise Vested Performance Rights in multiples of 1,000 or such other multiple as the Board determines unless the Holder exercises all Vested Performance Rights able to be exercised by the Holder at that time. The exercise by a Holder of only some of the Vested Performance Rights held by the Holder will not affect the Holder's right, during the Exercise Period, to exercise at a later date other Vested Performance Rights held by the Holder.

5.3 Vested Performance Rights Not Exercise

Any Vested Performance Rights not exercised by end of the Exercise Period shall immediately lapse.

5.4 Company Obligations

Subject to clause 5.6, following the exercise of Vested Performance Rights, the Company must:

- a. issue the relevant number of Performance Right Shares to the Holder;
- b. apply for official quotation on ASX of the Performance Right Shares within the period required by ASX; and
- c. if required to enable the Performance Rights Shares to be freely tradeable, within 5 Business Days of the issue of the Performance Right Shares issue a cleansing notice under section 708A(5) of the Corporations Act.

5.5 Issue Prospectus

If the Company is not permitted to issue a cleansing notice under section 708A(5) of the Corporations Act within the time required under clause 5.4, or for any reason that cleansing notice is not effective to enable the Performance Right Shares to be freely tradable, the Company must either:

- a. issue a prospectus on the date that the Performance Right Shares are issued (in which case the date for issuing those Performance Right Shares; or

- b. issue a prospectus before the date that the Performance Right Shares are issued, provided that offers under that prospectus must still be open for acceptance on the date those Performance Right Shares are issued, in accordance with the requirements of section 708A(11) of the Corporations Act.

5.6 Cash Payment in Lieu

The Board may determine in its sole discretion that the Company will satisfy its obligations under the Plan by making a cash payment to the Holder in lieu of allocating Shares to the Holder equal to the Market Value of the Shares the subject of an Exercise Notice.

5.7 Holder Dies

If the Holder of a Vested Performance Right dies prior to the exercise or expiry of a Vested Performance Right, the Holder's legal personal representative shall stand in the place of the Holder for the purposes of clause 5, subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of any Shares held by the Holder.

5.8 Rank Equally

All Performance Right Shares will rank equally in all respects with all previously issued Shares at the time being on issue except as regards to any entitlements attaching to such Shares by reference to a record date that is prior to the date of issue of the Performance Right Shares.

6. LAPSE OF PERFORMANCE RIGHTS

6.1 Fraudulent or dishonest action

Where, in the opinion of the Board, a Holder a Performance Right at any time:

- a. acts or has acted fraudulently or dishonestly; or
- b. is in breach or has breached any of his or her obligations to the Company,

the Board may do one or more of the following:

- a. deem any unvested Performance Rights of the Holder to have immediately lapsed;
- b. deem all or any Vested Performance Right Shares of the Holder to have immediately lapsed.

6.2 Ceases as Eligible Participant

If the Holder ceases to be employed by the Company or is removed or ceases to hold their position pursuant to which they became an Eligible Participant, any Performance Rights not yet vested will lapse immediately unless the Board determines otherwise.

7. TRANSFER OF RIGHTS

Performance Rights may not be transferred, assigned or novated.

8. SECURITY INTEREST

Holders must not grant a Security Interest in or over or otherwise deal with any Performance Rights or any interest in them, and any such Security Interest or dealing will not be recognised in any manner by the Company and shall at the discretion of the Board result in the Performance Rights being declared to lapse immediately.

9. DIVIDEND AND VOTING RIGHTS

Performance Rights will not confer upon the Holder the right to dividends or to vote as a Shareholder.

10. PRO RATA ISSUE OF SECURITIES

- (a) If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders, a Holder shall not be entitled to participate in respect of any Performance Rights.
- (b) A Holder will not be entitled to any adjustment to the number of Performance Right Shares they are entitled to as a result of the Company undertaking a pro rata issue of securities.

11. ADJUSTMENT FOR BONUS ISSUE

If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Performance Right Shares to which each Holder is then entitled, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder were exercised immediately prior to the record date for the bonus issue.

12. ADJUSTMENT FOR RECONSTRUCTION

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Performance Rights shall also be reconstructed in accordance with the Listing Rules and in a manner which will not result in any additional benefits being conferred on a Holder which is not conferred on holders of Shares generally, but in all other respects the terms will remain unchanged.

13. ACCUMULATION OF ADJUSTMENTS

Clauses 11 and 12 are cumulative and shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, distributions and any other events that require adjustment of the number of Shares that can be acquired upon the exercise of Performance Rights.

SCHEDULE 3: VALUATION OF PERFORMANCE RIGHTS TO RELATED PARTIES



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SKIN ELEMENTS LIMITED - PERFORMANCE SHARE RIGHTS VALUATION MODEL

ASX Company: Skin Elements Limited Date 22 February 2022

Purpose: Corporate Finance - Review of SKN Performance Share Rights Valuation

Prepared by: Kenny GU - Analyst Date 22 February 2022

Reviewed by: Enrico Mattiaccio - Director Date 22 February 2022

1. INTRODUCTION

Indian Ocean Securities Pty Ltd - AFSL: 336409 (IOS) has been engaged by Skin Elements Limited [ASX: SKN] (SKN) in connection with the valuation of SKN's proposed Performance Share Rights ('Performance Rights') proposing to be granted by SKN to the SKN Directors, Executive Management and Consultants together, Executives) in accordance with the Company's Equity Incentive Plan (EP) and subject to approval by the Company's shareholders.

SKN proposes to issue Performance Rights to Executives to recognize and reward for past work not remunerated, to incentivize and retain key Executives and align with Shareholder values as SKN transitions from research and development into commercializing of technologies and intellectual properties.

The key information used in the valuation is set out below.

2. TERMS OF RIGHTS

The terms of the Performance Rights are proposed to be issued by SKN subject to shareholder's approval are as follows:

The Class A Performance Rights will be vesting on 31 January 2023 subject to service conditions being the holder continuing to be engaged by the Company and to perform their duties.

The Class B Performance Rights will be vested on the achievement of performance hurdles as set out below which are revenue based and derived from sales of the Company's product range and subject to service conditions being the holder continuing to be engaged by the Company and to perform their duties. The Class B Performance Rights will expire on 31 January 2027 to the extent the performance hurdles have not been met.

Performance Rights	Class A	Class B			
Total Number of Performance Rights	100,000,000	200,000,000			
Tranche		I	II	III	IV
% Of Performance Rights Vested	100%	25%	25%	25%	25%
Non-Market Vesting Conditions Performance Milestone	N/A	The Company receiving revenue from the sale of its products to an aggregate value of 25,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 50,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 75,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 100,000,000
Other Non-Market Vesting Conditions Continuing Employment	Yes	Yes	Yes	Yes	Yes
Vesting Date	31/1/2023	Achieved condition	Achieved condition	Achieved condition	Achieved condition
Expiry Date (Latest Vesting Date)	N/A	31/1/2027	31/1/2027	31/1/2027	31/1/2027
Exercise Period	3 years from date vested	3 years from date vested	3 years from date vested	3 years from date vested	3 years from date vested

3. VALUATION METHODOLOGY

In accordance with AASB 2 'Share Based Payments' and Option Valuation theory, the fair value of the Performance Rights is determined by reference to the underlying value of the Performance Right, and then applying the estimated impact of non-market conditions by adjusting the number of performance rights expected to vest by multiplying the probability of achieving each vesting condition.

Under this scenario, given that the Performance Rights have been issued for no consideration, we have applied the Binomial Valuation Methodology assuming that all rights vest is the appropriate underlying value of the Performance Rights.

The Performance Rights contain the following non-market performance conditions:

- The Class A Performance Rights are subject to service conditions being a specific period of service.
- The Class B Performance Rights are subject to service conditions being continuing service and performance hurdles being specific sales revenue targets.

The current probabilities of achieving each of the non-marketing vesting conditions was considered following discussions with management on the likelihood of future sales, volatility, analysis of empirical data and other various relevant information including:

- The Company's recent historical share price, volatility, and volume traded on ASX.
- Director and executive remuneration data from ASX listed companies with equivalent market capitalization and from comparable industry sectors.
- Analysis of remuneration reports and market and non-market-based performance rights trends for ASX companies including the impact of COVID-19 pandemic during the 2020 and 2021 period.

The probability from each tranche was determined by using Discount Cash Flow model to forecast the SKN values; then we applied Z-score to determine the probability value as a numerical measurement, which determines a value relationship to the mean of the probability percentage value.

All data and information have been sourced from public databases including IRESS, FN Arena Research, Morning Star Research and ASX.

The valuation of the Performance Rights assumes that the exercise of a Performance Right does not affect the value of the underlying assets of the Company.

As SKN is not expected to pay dividends over the duration of the Performance Rights, dividends are not considered in the valuation.

No discount is made to the fundamental value for unlisted performance rights over listed shares.

4. VALUATION INPUTS

In valuing the Performance Rights, the following assumptions regarding the inputs required for our Binomial valuation option pricing model.

4.1 Underlying Share Price

The share price of Skin Elements as of 15 February 2022 was \$0.05, which we have used as the underlying value of the Performance Right.

4.2 Valuation Date

As the issue of any Performance Rights is subject to approval by the Company's shareholders which is to be held after the date of this report, the valuation date adopted is 15 February 2022 being the date of this report.

4.3 Binomial Inputs

As SKN annual volatility is 70%, the Performance Rights have vesting periods and conditions as set out in the Tables in section: 2. TERMS OF RIGHTS. Risk-Free rate as Commonwealth Government 5-year bond issued in January 2022 of 1.54%.

4.4 Expiry Dates

As per the terms of the Performance Rights, the Class A Performance Rights have a Vesting date of 31 January 2023, and the Class B Performance Rights will expire on 31 January 2027 to the extent of the performance hurdles have not been met. Upon vesting the Executives have three years in which to exercise the vested rights into shares.

5. CONCLUSION

We set out our Valuation conclusions of the Class A and Class B Performance Rights below:

Item	Class A Valuation	Class B Valuation			
		Tranche I	Tranche II	Tranche III	Tranche IV
Share Price (As per section 4.1)	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Valuation Date	15/02/2022	15/02/2022	15/02/2022	15/02/2022	15/02/2022
Vesting Date	31/1/2023	Achieved condition	Achieved condition	Achieved condition	Achieved condition
Expiry Date (Latest Vesting Date)	N/A	31/01/2027	31/01/2027	31/01/2027	31/01/2027
Probability	95%	61%	44%	42%	40%
Value per Right	\$0.04678	\$0.0283	\$0.0204	\$0.0195	\$0.0185
Number of Rights	100,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Value of Tranche	\$4,678,000*	\$1,412,000*	\$1,019,000*	\$972,000*	\$926,000*

*Calculation Figures in the above table have been rounded.

SCHEDULE 4: SECURITIES ISSUED UNDER LISTING RULE 7.1A.2 IN THE PREVIOUS 12 MONTHS

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue price and details of any discount to Market Price (if applicable)	Consideration and Use of Funds as at date of this Notice
05/10/21	24,650,000	Fully paid ordinary shares	See section 17.3 of the Explanatory Memorandum	\$0.08	Placement for cash \$1,972,000 Amount spent \$407,777 The funds raised have been and will be used to fund the Company's stated business plans including the launch of its new TGA registered SuprCuvr hospital grade disinfectant and expansion of its Soleo Organics sunscreen range.

LODGE YOUR VOTE



ONLINE

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*During business hours Monday to Friday



ALL ENQUIRIES TO

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LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **12:00 (WST) on Sunday, 24 April 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

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

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

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

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name 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 Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

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



X99999999999

PROXY FORM

I/We being a member(s) of Skin Elements 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 **12:00 (WST) on Tuesday, 26 April 2022 at 1242 Hay Street, West Perth, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 2, 3, 4, 5 & 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 Resolutions 1, 2, 3, 4, 5 & 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Re-Election of Mr Kevin Lee Christensen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of Prior Issue of Shares to LDA Capital Ltd – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Class A Performance Rights to Mr Peter Malone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Proposed Issue of Shares to LDA Capital Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Class B Performance Rights to Mr Peter Malone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Ratification of Prior Issue of Shares – Listing Rule 7.1a	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Class B Performance Rights to Mr Filippo (Phil) Giglia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Class B Performance Rights to Mr Kevin Lee Christensen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Re-Election of Mr Filippo (Phil) Giglia as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

SKN PRX2201D