WELLFULLY

21 October 2022

Dear Shareholder

ANNUAL GENERAL MEETING - NOTICE AND PROXY FORM

Notice is given that an Annual General Meeting (**AGM** or **Meeting**) of Shareholders of Wellfully Limited (ACN 056 482 636) (ASX: WFL) (**Wellfully** or the **Company**) will be held as follows:

Time and date: 10am (Perth time) on Friday, 25 November 2022

Location: RSM Partners Australia, Level 32 Exchange Tower, 2 The Esplanade, Perth, Western Australia

Virtually: via Automic Share Registry's platform. Shareholders can also participate in the Meeting online and watch the webcast, where there would be an opportunity to ask questions during or at the conclusion of the meeting. Shareholders are also encouraged to send questions to the Company prior to the meeting to help streamline the Meeting, by submitting questions to madeline.howson@advisir.com.au. To view the meeting and any update on activities on-line, shareholders can pre-register for access to the meeting, via Automic, through the following link:

https://us02web.zoom.us/webinar/register/WN_xw7G7W41TpCfAQJwIDIMIg

As permitted by the *Corporations Act 2001* (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholder has made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded at the following link: https://wellfully.net/asx-announcements/ or on the ASX announcement platform.

For those shareholders that have not elected to receive notices by email, a copy of your personalised Proxy Form will be mailed to you. Please complete and return the Proxy Form to the Company's share registry, Automic, using any of the following methods:

Online: https://investor.automic.com.au/#loginsah

By Mail: Automic, GPO Box 5193, Sydney, NSW, 2001, Australia

Company Secretary

Mr Henko Vos

WELLFULLY

In Person: Automic, Level 5, 126 Phillip Street, Sydney, NSW

By Fax: 02 8583 3040 (within Australia) or +61 2 8583 3040 (outside Australia)

By Email: meetings@automicgroup.com.au

Your proxy voting instruction must be received by 10am (Perth time) on Wednesday, 23 November 2022, being not later than 48 hours before the commencement of the Meeting.

Any proxy voting instructions received after that time will not be valid for the scheduled Meeting.

The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting as the AGM will not accommodate live voting, other than for those shareholders present in person.

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you have difficulties obtaining a copy of the Meeting Materials, please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or + 61 2 9698 5414 (outside Australia).

On behalf of the Board of Directors.

Henko Vos Company Secretary Wellfully Limited

WELLFULLY LIMITED (ACN 056 482 636)

NOTICE OF ANNUAL GENERAL MEETING

Meeting to be held at RSM Partners Australia, Level 32 Exchange Tower, 2 The Esplanade, Perth, Western Australia on 25 November 2022 commencing at 10am (Perth time).

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

WELLFULLY LIMITED (ACN 056 482 636)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Wellfully Limited (ACN 056 482 636) will be held at RSM Partners Australia, Level 32 Exchange Tower, 2 The Esplanade, Perth Western Australia on 25 November 2022 commencing at 10am (Perth time).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. Financial Statements

To receive the Financial Statements for the year ended 30 June 2022.

Note: There is no requirement for Shareholders to approve these statements.

2. Resolution 1 - Adoption of the Remuneration Report

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

"To adopt the Remuneration Report for the financial year ended 30 June 2022."

Note: This Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

Voting Prohibition Statement for Resolution 1:

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

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

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

3. Resolution 2 - Re-election of Mr Paul Peros as a Director

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

"That for the purposes of clause 14.4 of the Company's Constitution and for all other purposes, Mr Paul Peros retires and, being eligible, is re-elected as a Director of the Company."

4. Resolution 3 – Re-election of Mr Steven Schapera as a Director

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

"That for the purposes of clause 14.2 of the Company's Constitution and for all other purposes, Mr Steven Schapera retires and, being eligible, is reelected as a Director of the Company."

5. Resolution 4 – Approval of additional placement capacity

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

"That for the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of equity securities totalling up to 10% of the Company's share capital calculated in accordance with Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Statement, is approved."

6. Resolution 5 – Issue of free-attaching New Options to the Sophisticated Investors

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 97,587,365 free-attaching New Options to the Sophisticated Investors, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolution 5:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

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

However, the Company need not disregard a vote cast if it is cast 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 Resolution in that way;
- (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 as the Chairperson decides; or
- (c) a holder acting solely in a nominee, custodial, trustee 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.

7. Resolution 6 – Issue of Placement Shares and free-attaching New Options to Mr Paul Peros

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 9,090,910 Shares and 9,090,910 free-attaching New Options to Mr Paul Peros (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolution 6:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Paul Peros (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any of their associates.

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

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

Voting Prohibition Statement for Resolution 6:

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairperson; and
- (b) the appointment expressly authorises the Chairperson to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

8. Resolution 7 – Issue of New Options to the Lead Manager

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 15,000,000 New Options at an issue price of \$0.0001 per New Option to the Lead Manager (or its nominees), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement for Resolution 7:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

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

However, the Company need not disregard a vote cast if it is cast 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 Resolution in that way;
- (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 as the Chairperson decides; or
- (c) a holder acting solely in a nominee, custodial, trustee 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.

9. Resolution 8 – Issue of Incentive Performance Rights to Mr Paul Peros

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to:

- (a) 5,000,000 Class A Incentive Performance Rights;
- (b) 5,000,000 Class B Incentive Performance Rights; and

(c) 5,000,000 Class C Incentive Performance Rights,

to Mr Paul Peros (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

Voting Exclusion Statement for Resolution 8:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Paul Peros (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any of their associates.

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

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

Voting Prohibition Statement for Resolution 8:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

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 member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (Perth time) on 23 November 2022.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board

Mr Paul Peros Chairperson 14 October 2022

EXPLANATORY STATEMENT

1. Financial Statements

The Financial Statements are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Company's auditor will be attending the Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

2. Resolution 1 – Adoption of the Remuneration Report

2.1 General

The Annual Report for the year ended 30 June 2022 contains the Remuneration Report which:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- (b) sets out the remuneration details for each Director; and
- (c) sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

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

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

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting (a "spill meeting") must be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval or otherwise of the applicable Directors' Report must go up for re-election.

2.2 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. Resolutions 2 and 3 – Re-election of Mr Paul Peros and Mr Steven Schapera as a Director

3.1 General

In accordance with clause 14.2 of the Company's Constitution, Mr Paul Peros retires, and being eligible, offer himself for re-election as a Director.

In accordance with clause 14.4 of the Company's Constitution, Mr Steven Schapera retires, and being eligible, offer himself for re-election as a Director.

3.1.1 Mr Paul Peros

For over 25 years, Paul has been working on growth-orientated performance strategies and disruptive innovation, developing brands and businesses for challenges in an everchanging world and the 'new normal'. Prior to Wellfully, Paul led a number of successful engagements in luxury consumer products and beauty-tech.

Paul was the CEO of Swedish brand FOREO, from its 2013 inception, to what was effectively global market leadership with over USD 1 billion in revenues and a presence in over 80 countries achieved in a short period of five years.

In addition to his zeal for innovation across all activities of an organisation, Paul's drive is also rooted in his extensive experience in management consulting. He was part of the Milan-based GEA for over 10 years, engaging with global leaders on product and brand development. Paul holds an MBA from IMD, Lausanne and a BS in Physics from UCLA.

3.1.2 Mr Steven Schapera

Mr Schapera founded the successful BECCA Cosmetic brand (www.beccacosmetics.com) and commercialised it into a range of cosmetic products that were distributed throughout Europe, Asia and North America. Mr Schapera guided BECCA from its infancy through to being a global player in the luxury cosmetic space. In 2016, BECCA was sold to Estee Lauder for more than US\$230 million. Mr Schapera is Chairman of BECCA Holdings Pty. Ltd.; he serves as a non-executive Director on the Board of Invincible Brands GmbH., arguably Europe's most successful influencer marketing business, and recently assisted with their partial sale to Henkel.

He is also Founder and Managing Director of London-based Lab Brands Limited and is a non-executive Director of Wild Nutrition Ltd, a fast-growing player in the vitamin and mineral supplement space.

Mr Schapera is Chairman of ASX-listed Crowd Media Holdings Ltd, headquartered in the Netherlands.

3.2 Recommendation

The Board (excluding Mr Peros and Mr Schapera) recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. Resolution 4 – Approval of additional placement capacity

4.1 General

The Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (10% Placement).

This Resolution is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement can cover are existing quoted securities, namely ordinary fully paid Shares.

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

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

As at the date of this Notice, the Company has a market capitalisation of approximately \$6.1m.¹

4.2 Eligibility criteria

Under Listing Rule 7.1A, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue Shares comprising up to 10% of its issued share capital in addition to the normal 15% new issue 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.

4.3 Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1. As at the date of finalisation of this Notice, the Company has 278,697,230 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the (potential) capacity to issue:

- (a) 41,804,585 Shares under Listing Rule 7.1; and
- (b) 27,869,723 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in Listing Rule 7.1A.2.

In summary, Listing Rule 7.1A.2 would apply to the Company as follows:

If the Company has obtained the approval of Shareholders at the Meeting (ie. if this Resolution is passed), the Company may issue or agree to issue, during the approval period (ie. the 12 month period after the date of the Meeting, or until the time and date of the Company's next annual general meeting, 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), the time and date of such approval, whichever occurs first), a number of Shares calculated in accordance with the following formula:

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

Where²:

A = The number of Shares on issue 12 months before the date of issue or agreement,

¹ Based on a market price for each Share of \$0.022 on 12 October 2022 and a total of 278,697,230 Shares on issue on 12 October 2022.

² Nb. The explanation of the formula components should be read in conjunction with the definitions and rules of interpretation in the Listing Rules.

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 (which contains numerous exceptions to Listing Rule 7.1 and Listing Rule 7.1A, including in relation to issues of Shares pursuant to pro-rata issues, under off-market bids, mergers by scheme of arrangement or approved employee incentive schemes, or certain issues of preference shares, etc – refer to Listing Rule 7.2 for full details), other than exceptions 9, 16 or 17,
- plus the number of Shares issued in the 12 months upon the conversion of convertible securities such as options within exception 9 of Listing Rule 7.2 where:
 - the convertible securities were issued or agreed to be issued before the 12 months; or
 - the issue or agreement to issue of the convertible securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,
- plus the number of Shares issued in the 12 months under an agreement to issue securities within exception 16 of Listing Rule 7.2 where:
 - o the securities were issued or agreed to be issued before the 12 months; or
 - the issue or agreement to issue of the securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,
- plus the number of partly paid Shares that became fully paid in the 12 months,
- plus the number of Shares issued with Shareholder approval under Listing Rule 7.1 (ie. the 15% capital raising approval requirement rule) or Listing Rule 7.4 (which relates to subsequent approvals by Shareholders of an issue of equity securities),
- less the number of Shares cancelled in the previous 12 months.
- D = 10%.
- E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

4.4 Minimum issue price

In accordance with Listing Rule 7.1A, Shares issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the Shares calculated over the 15 trading days on which trades in its Shares were recorded immediately before:

- (a) the date on which the issue price of the Shares is agreed; or
- (b) the issue date (if the Shares are not issued within 10 trading days of the date on which the issue price is agreed).

The Company notes that equity securities issued in accordance with ASX Listing Rule 7.1A must be issued for cash consideration.

4.5 Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this Meeting until the earlier to occur of:

- (a) the date that is 12 months after the date of the Meeting;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date of approval by Shareholders of 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), or such longer period if allowed by ASX.

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Meeting.

4.6 Dilution to existing shareholdings

If this Resolution is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result.

Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 50% from the approximate share price as at the date of finalisation of this Notice.

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution table			
		\$0.011 (50% decrease in share price)	\$0.022 share price	\$0.033 (50% increase in share price)	
Current Shares (278,697,230 Shares)	Number of Shares issued	27,869,723	27,869,723	27,869,723	
	Funds raised	\$306,566	\$613,133	\$919,700	
50% increase (418,045,845 Shares)	Number of Shares issued	41,804,585	41,804,585	41,804,58	
	Funds raised	\$459,850	\$919,700	\$1,379,551	
100% increase (557,394,460 Shares)	Number of Shares issued	55,739,446	55,739,446	55,739,446	
	Funds raised	\$613,133	\$1,226,267	\$1,839,401	

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) the Company issues the maximum number of Shares available under the 10% Placement;
- (b) any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue;

- (c) the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (d) the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting; and
- (e) the share price is assumed to be \$0.022, being the closing Share price on 12 October 2022.

4.7 Purpose of the 10% Placement

The Company may seek to issue Shares under the 10% Placement for cash consideration, which must comply with the minimum issue price noted above, and which may be used for working capital or for other corporate purposes.

4.8 Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- (a) the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- (b) the effect of the issue of the Shares on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

4.9 Issues under ASX Listing Rule 7.1A

The Company previously obtained approval to issue Equity Securities pursuant to ASX Listing Rule 7.1A at the annual general meeting held on 1 December 2021. Since that date, other than in respect of the Placement (as further detailed in Section 5), the Company has issued nil equity securities pursuant to ASX Listing Rule 7.1A.

The Company has issued equity securities pursuant to ASX Listing Rule 7.1A.2 in the 12 months preceding the Meeting. Pursuant to and in accordance with Listing Rule 7.3A.6, the following information is provided:

Number and percentage of securities

A total of 6,878,987 Shares were issued utilising the Company's issue capacity pursuant to Listing Rule 7.1A since approval was obtained at the Company's AGM in November 2021. The 6,878,987 Shares represent approximately 2.77% of the 248,285,005 Shares on issue as at 12 months prior to the date of the Meeting.

The recipients

The 6,878,987 were issued to:

- (a) On 12 May 2022, 3,600,000 shares were issued to professional, sophisticated and section 708 exempt investors at \$0.08 per Share under a Private Placement; and
 - (b) On 11 August 2022, 3,278,987 shares were issued at \$0.0386 to a nominee entity of GEM Global Yield LLC SCS, following a first drawdown by the Company under the GEM Capital Funding Facility.

None of the recipients are 'material investors' for the purposes of paragraph 7.2 of ASX Guidance Note 21.

Number and class of securities issued or agreed to be issued

The Company issued 6,878,987 to the recipients.

The consideration for the issues

The issue of the 6,878,987 to the recipients resulted in the Company receiving \$288,000 (12 May 2022) and \$126,569 (11 August 2022) respectively, being a total of approximately \$414,569. The issue on 12 May 2022 was made at a premium of 15.9% to the closing Share price of \$0.069 on 11 May 2022. The issue on 11 August 2022 represented a discount of 3.72% to the 15 day VWAP of \$0.04 over the 15 trading days prior to the issue date.

Use of consideration received for the issue of Placement Shares

As at the date of this Notice, the Company has spent all of the cash consideration of approximately \$414,569 raised under these two issues. The Company used the funds for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, and working capital purposes.

4.10 Voting exclusion

A voting exclusion statement is not included in the Notice. At the date of finalisation of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the Shares. No existing Shareholder's vote will therefore be excluded from voting on the Resolution.

4.11 Previous approval

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 1 December 2021.

4.12 Recommendation

As at the date of finalisation of this Notice, the Company has no plans to raise additional capital. However, many eligible companies seek this form of available shareholder approval to enable a capital raising to be implemented if appropriate during the following year. Accordingly, shareholder approval of this Resolution is considered to be a prudent approach. The Directors believe that this Resolution will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company.

The Board recommends that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Issue of free-attaching New Options to Sophisticated Investors

5.1 General

On or about 10 October 2022 the Company announced that it intended to issue up to 106,678,275 Placement Shares to the Sophisticated Investors with a value of up to \$2,346,922, and would seek shareholder approval to issue 1 free-attaching New Option for every 1 Placement Share subscribed for.

The Company seeks Shareholder approval to issue up to 97,587,365 free-attaching New Options to the Sophisticated Investors.

5.2 Reasons for grant

The Board considers the issue of Placement Shares and free-attaching New Options to the Sophisticated Investors would provide funding to the Company to be used for:

- (a) funding the insourcing of the patch production at its Swiss operations facility in order to:
 - (i) decrease costs of the SWISWELL Lubricen Knee Patch from US\$1.50 to US\$0.50 and increase its gross margins from 54% to 85%;
 - (ii) use this competitiveness in order to increase B2B sales and access a larger, mainstream market segment; and
 - (iii) ensure production capacity and product availability accordingly by significantly reducing sourcing and production lead times; and
- (b) supporting the continuation of the commercial development of its brands and industry collaborations, and the related working capital needs in order to maintain the current top line growth trend.

5.3 Purpose of approval

Approval for the issue of the free-attaching New Options is sought for the purposes of Listing Rule 7.1 and for all other purposes.

5.4 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

5.5 Technical information required by Listing Rule 7.3

The free-attaching New Options to be issued pursuant to Resolution 7 are intended to be issued following approval of Shareholders pursuant to Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders:

The Sophisticated Investors

The free-attaching New Options will be issued to subscribers for the Placement Shares who are:

- (a) sophisticated investors as defined in section 708(8); and
- (b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager. None of the Sophisticated Investors are 'material investors' for the purposes of paragraph 7.2 of ASX Guidance Note 21.

Maximum number of free-attaching New Options that may be issued

The maximum total number of free-attaching New Options to be issued in accordance with Resolution 5 is 97,587,365.

Terms of the free-attaching New Options

The free-attaching New Options are to have the terms set out in Schedule 1.

Timing for the issue of the free-attaching New Options

The free-attaching New Options will be issued no later than 3 months after the date of the Meeting.

The consideration for the issue of the free-attaching New Options

The free-attaching New Options are being issued as part of the Placement, however the free-attaching New Options are being issued for a nil issue price.

Purpose and intended use of funds received

There will be no proceeds from the planned issue of the free-attaching New Options.

Voting exclusion statement

A voting exclusion statement is included in the Notice for each relevant Resolution.

5.6 Technical information required for Listing Rule 14.1A

If Resolution 5 is passed, the free-attaching New Options to be issued to the Sophisticated Investors will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the free-attaching New Options.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the free-attaching New Options to the Sophisticated Investors and consequently, the Company will not potentially raise up to \$3,220,383 on the exercise of the New Options.

5.7 Recommendations

The Board recommends that Shareholders vote in favour of Resolution 5.

6. Resolution 6 – Approval to participate in Placement for Mr Paul Peros

6.1 General

On or about 10 October 2022 the Company announced that it intended to issue up to 106,678,275 Placement Shares to the Sophisticated Investors with a value of up to \$2,346,922, and would seek shareholder approval to issue 1 free-attaching New Option for every 1 Placement Share subscribed for.

The Company is seeking Shareholder approval to issue up to 9,090,910 Placement Shares and up to 9,090,910 free-attaching New Options to Mr Paul Peros (or his nominee).

6.2 Reasons for grant

The Board considers the issue of Placement Shares and free-attaching New Options to Mr Paul Peros would better support the Company's proposed use of funding as set out in Section 5.2.

6.3 Purpose of approval

Approval for the issue of the Placement Shares and free-attaching New Options to Mr Paul Peros is sought for the purposes of Listing Rule 10.11, and for all other purposes.

6.4 Listing Rule 10.11 and Chapter 2E of the Corporations Act

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities to, inter alia, a Director without the approval of holders of ordinary securities.

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. The Directors are related parties within the meaning of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act. This concept includes giving or providing finance or property to a related party. The grant of the Placement Shares to Mr Paul Peros would constitute the giving of a financial benefit to a Director.

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length or where the terms are otherwise less favourable to the related party.

Mr Paul Peros will participate in the Placement on the same terms as all participants.

The Company considers that the proposed grant of Placement Shares and free-attaching New Options to Mr Paul Peros falls within the exception set out in section 210 of the Corporations Act.

6.5 Technical information required for Listing Rule 10.13

The following information is provided pursuant to Listing Rule 10.13:

The Directors

The Placement Shares and free-attaching New Options are to be issued to Mr Paul Peros, or his nominee.

Relationship of the Directors

Mr Paul Peros is a related party of the Company, including for the purposes of Listing Rule 10.11.1.

Maximum number of Placement Shares and free-attaching New Options to be issued

Up to 9,090,910 Placement Shares and up to 9,090,910 free-attaching New Options may be issued.

Terms of Placement Shares and free-attaching New Options to be issued

The Placement Shares will be fully paid ordinary shares. The free-attaching New Options are to have the terms set out in Schedule 1.

Timing for the issue of the Placement Shares and free-attaching New Options

The Placement Shares and free-attaching New Options will be issued no later than 1 month after the date of the Meeting.

The consideration for the issue of Placement Shares and free-attaching New Options

The issue of the Placement Shares and free-attaching New Options will result in the Company receiving \$0.022 per Placement Share issued, up to a total of \$200,000.

Purpose and intended use of funds received

The proceeds from the planned issue of the Placement Shares and free-attaching New Options are intended to be used for funding the insourcing of the patch production and supporting the continuation of the commercial development of its brands and industry collaborations, as well as providing for general working capital, as more particularly described in Section 5.2.

Remuneration or incentivisation

The issue of the Placement Shares and free-attaching New Options is not intended to remunerate or incentivise Mr Paul Peros.

Voting exclusion statement

A voting exclusion statement is included in the Notice for each relevant Resolution.

6.6 Technical information required for Listing Rule 14.1A

If Resolution 6 is passed, the Placement Shares and free-attaching New Options to be issued to Mr Paul Peros or his nominees will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares and free-attaching New Options.

If Resolution 6 is not passed, the Placement Shares and free-attaching New Options will not be issued to Mr Paul Peros or or his nominees.

6.7 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to grant the Placement Shares and free-attaching New Options to Mr Paul Peros as approval is being obtained under Listing Rule 10.11.

Accordingly, the issue of the Placement Shares and free-attaching New Options will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's Shares under Listing Rule 7.1.

6.8 Directors' Recommendation

The Directors (other than Mr Paul Peros) recommend that Shareholders vote in favour of Resolution 6.

7. Resolution 7 – Issue of New Options to the Lead Manager

7.1 General

On or about 10 October 2022 the Company announced that it intended to issue up to 106,678,275 Placement Shares to the Sophisticated Investors with a value of up to \$2,346,922, and would seek shareholder approval to issue 1 free-attaching New Option for every 1 Placement Share subscribed for. As part of the proposed capital raising, the Company agreed to issue 15,000,000 New Options, at a cost of \$0.0001 per New Option to the Lead Manager.

The Company seeks Shareholder approval to issue of up to 15,000,000 New Options to the Lead Manager (or its nominees).

7.2 Reasons for grant

The Board considers the issue of New Options to the Lead Manager would facilitate the Placement which will provide funding to the Company to be used as set out in Section 5.2.

7.3 Purpose of approval

Approval for the issue of the free-attaching New Options is sought for the purposes of Listing Rule 7.1 and for all other purposes.

7.4 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

7.5 Technical information required by Listing Rule 7.3

The New Options to be issued pursuant to Resolution 7 are intended to be issued following approval of Shareholders pursuant to Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders:

The Lead Manager

The New Options will be issued to the Lead Manager or its nominees.

Maximum number of New Options that may be issued

The maximum total number of New Options to be issued in accordance with Resolution 7 is 15,000,000.

Terms of the New Options

The New Options are to have the terms set out in Schedule 1.

Timing for the issue of the New Options

The New Options will be issued no later than 3 months after the date of the Meeting.

The consideration for the issue of the New Options

The issue of the New Options will result in the Company receiving up to \$1,500.

Purpose and intended use of funds received

The proceeds from the planned issue of the Placement Shares and free-attaching New Options are intended to be used for funding the insourcing of the patch production and supporting the continuation of the commercial development of its brands and industry collaborations, as well as providing for general working capital, as more particularly described in Section 5.2.

Material terms of the agreement pursuant to which the New Options are being issued

The New Options are to be issued in accordance an agreement with the Lead Manager, the material terms of which are set out at Schedule 2.

Voting exclusion statement

A voting exclusion statement is included in the Notice for each relevant Resolution.

7.6 Technical information required for Listing Rule 14.1A

If Resolution 7 is passed, the New Options to be issued to the Lead Manager will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the New Options.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the New Options to the Lead Manager and consequently, the Company will not potentially raise up to \$495,000 on the exercise of the New Options.

7.7 Recommendations

The Board recommends that Shareholders vote in favour of Resolution 7.

8. Resolution 8 – Issue of Incentive Performance Rights to Mr Paul Peros

8.1 General

The Board is seeking Shareholder approval to grant up to Incentive Performance Rights to Mr Paul Peros, or his nominee, as follows:

- (a) 5,000,000 Class A Incentive Performance Rights;
- (b) 5,000,000 Class B Incentive Performance Rights; and
- (c) 5,000,000 Class C Incentive Performance Rights.

8.2 Reasons for grant of Incentive Performance Rights

The grant of the Incentive Performance Rights to Mr Paul Peros is considered to be a cost-effective mechanism to assist in the reward and retention of Mr Paul Peros by the Company. The grant of the Incentive Performance Rights to Mr Paul Peros forms part of the Company's long-term incentive objectives to encourage Mr Paul Peros to have a greater involvement in the achievement of the Company's objectives and to provide him with the opportunity to participate in the future growth and prosperity of the Company through share ownership.

The Board considers the number of Incentive Performance Rights proposed to be granted will ensure that overall remuneration of Mr Paul Peros remains competitive with market standards.

8.3 Purpose of approval

Approval for the grant of the Incentive Performance Rights is sought for the purposes of Listing Rule 10.11 and for all other purposes.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Paul Peros is a related party of the Company by virtue of his being a Director. Therefore, approval is required under Listing Rule 10.11 for the issue of any Incentive Performance Rights to Mr Paul Peros.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to Mr Paul Peros. If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to Mr Paul Peros, and the Company may need to re-negotiate the remuneration packages received by each Director.

Resolution 8 is an ordinary resolution.

8.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Mr Paul Peros is considered to be a related party within the meaning of the Corporations Act, and the Incentive Performance Rights will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act. This concept includes issuing shares to a related party.

Section 211 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is remuneration of a related party as an officer of the Company and is on terms that would be reasonable in the circumstances.

The Company considers that the proposed issues of Incentive Performance Rights to Mr Paul Peros fall within the reasonable remuneration exception set out in section 211 of the Corporations Act.

8.5 Key terms of the grant

The following information is provided pursuant to Listing Rule 10.13:

Names of persons entitles to participate

The Incentive Performance Rights are intended to be issued to Mr Paul Peros or his nominee.

Categories of person to participate

Mr Paul Peros is a Director, and is therefore a related party for the purposes of Listing Rule 10.11.1.

Maximum number and class of securities that may be granted

The Company will issue Incentive Performance Rights as follows:

- (a) 5,000,000 Class A Incentive Performance Rights;
- (b) 5,000,000 Class B Incentive Performance Rights; and
- (a) 5,000,000 Class C Incentive Performance Rights,

therefore up to 15,000,000 Incentive Performance Rights in total.

Summary of material terms of Incentive Performance Rights

The terms of the Incentive Performance Rights are set out in Schedule 3.

Date of Grant

The Incentive Performance Rights will be issued on or before 9 December 2022.

Related party relationship

Mr Paul Peros is an Executive Director of the Company.

Price

Each Incentive Performance Right forms part of the remuneration of Mr Paul Peros for services provided as an Executive Director of the Company.

Intended use of funds raised

No funds will be raised from the grant of Incentive Performance Rights.

Details (including amounts) of all participating Director's remuneration packages

Mr Paul Peros' remuneration package is as follows:

- (a) A\$275,000 in cash; and
- (b) up to 15,000,000 Incentive Performance Rights.

Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolution 8.

8.6 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to grant the Incentive Performance Rights to the Directors or their nominees as approval is being obtained under Listing Rule 10.11.

Accordingly, the grant of the Incentive Performance Rights will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's Shares under Listing Rule 7.1.

8.7 Directors' Recommendation

The Directors (other than Mr Paul Peros) recommend that Shareholders vote in favour of Resolution 8.

9. Glossary

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

Board means the board of Directors.

Celtic Capital means Celtic Capital Pty Ltd (ACN 120 688 262) as trustee for the Celtic Capital Trust (ABN 87 413 128 317).

Chairperson means the person appointed to chair the Meeting.

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

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

Company means Wellfully Limited (ACN 056 482 636).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Financial Statements means the financial reports, directors' declaration and reports, and the auditor's report for the Company.

Incentive Performance Rights means Class A Incentive Performance Rights, Class B Incentive Performance Rights and Class C Incentive Performance Rights, on the terms set out at Schedule 3.

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

Lead Manager means CPS Capital Group Pty Ltd (ACN 088 055 636).

Listing Rules means the ASX Listing Rules.

New Option means an option which entitles the holder to subscribe for 1 Share, on the terms set out at Schedule 1.

Non-executive Director means a non-executive Director of the Company.

Notice means this notice of meeting.

Placement means the placement to Sophisticated Investors being conducted by the Company to raise up to \$2,346,922 at a price per Share of \$0.022.

Placement Share means a Share to be issued in the Placement.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

Sophisticated Investors means:

- (a) sophisticated investors as defined in section 708(8); and
- (b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager.

VWAP means volume weighted average price.

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

Schedule 1 - New Option Terms

An Option entitles the holder to subscribe for an ordinary share (**Share**) in Wellfully Limited (ACN 056 482 636) (**Company**) on the terms and conditions set out below.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Expiry Date

Each Option will expire at 5.00pm (Perth time) on the date that is 2 years from the date the Option is issued (**Expiry Date**).

(c) Exercise Price

Each Option will have an exercise price of \$0.033 (Exercise Price).

(d) Exercise period and lapsing

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment to the Company of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Timing of issue of Shares on exercise

Within 15 days that are not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia (**Business Days**) after the Exercise Date, the Company will:

- issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act), or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(g) Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(h) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(i) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(k) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(I) Quotation of Options

The Company will apply for quotation of the Options to ASX Limited. In the event that quotation of the Options cannot be obtained, the Options will remain unlisted.

(m) Transferability

The Options are freely transferable subject to any restriction or escrow arrangements imposed by ASX Limited or under any applicable Australian securities laws.

Schedule 2 – Summary of the Lead Manager Agreement

In accordance an agreement between the Company and the Lead Manager dated on or about 10 October 2022 (**Lead Manager Agreement**), the Lead Manager has agreed to act as lead manager and broker for the purposes of the Placement and the issue of free-attaching New Options.

Under the Lead Manager Agreement, the Lead Manager has agreed to, inter alia, assist on a best endeavours basis to facilitate the Placement.

In consideration for the provision of the services, the Company must pay Lead Manager the following fees:

- (a) 2% plus GST on all funds raised under the Placement;
- (b) 4% plus GST on all funds raised under the Placement;
- (c) 15 million New Options at \$0.0001 per option (or to its nominee);
- (d) a corporate advisory fee of \$5,000 plus GST per month for 12 months.

The Lead Manager Agreement contains other terms and conditions considered standard for an agreement of its nature. The Lead Manager is not a related party of the Company.

Schedule 3 - Incentive Performance Rights Terms

The following terms and conditions apply to each of the Performance Rights:

1. (Definitions):

The following definitions apply:

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by ASX Limited.

Business Day has the meaning given in the Listing Rules.

Class means Class A, Class B and Class C Performance Rights, as detailed in clause 2 of this Schedule 3.

Company means Wellfully Limited (ACN 056 482 636).

Corporations Act means the Corporations Act 2001 (Cth).

Holder means a holder of a Performance Right.

Listing Rules means the listing rules of ASX, as amended, modified or waived from time to time.

Shareholders means holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

2. (**Milestones**): Each Class of Performance Rights have the following milestones attached to them (each referred to as a **Milestone**):

Class	Performance Milestone	Milestone Date	Number of Performance Rights	Number of Shares on conversion of Performance Rights
Class A	Achievement of a 20 day Volume Weighted Average Closing Price for the Shares of A\$0.10.	3 years from the date of issue	5,000,000	5,000,000
Class B	Achievement of a 20 day Volume Weighted Average Closing Price for the Shares of A\$0.15.	3 years from the date of issue	5,000,000	5,000,000

Class C	Achievement of a 20 day Volume Weighted Average Closing Price for the Shares of A\$0.20.	3 years from the date of issue	5,000,000	5,000,000
TOTAL			15,000,000	15,000,000

- 3. (**Verification**): The Milestones set out above must be verified by the Company prior to the relevant Performance Rights being able to be converted into Shares.
- 4. (**Vesting**): Subject to the satisfaction of a Milestone, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Milestone has been satisfied.
- 5. (**Conversion**): Each Performance Right is converted into one fully paid ordinary Share on achievement of the relevant Milestone.
- 6. (**Exercise**): Upon receipt of a Vesting Notice, the Holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The Holder is not required to pay a fee in order to exercise the Performance Rights.
- 7. **(Expiry Date)**: The Performance Rights will expire and lapse on the first to occur of the following:
 - a. a Milestone not being satisfied by 5.00pm (Perth time) on the Milestone Date specified in clause 2 of this Schedule 3; and
 - b. 5.00pm (Perth time) on the date which is 3 years after the date of issue of the Performance Rights,

(Expiry Date).

- 8. **(Transfer)**: The Performance Rights are not transferable.
- 9. (Entitlements and bonus issues): Subject always to the rights under clause 10 of this Schedule 3, Holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
- 10. (Reorganisation of capital): In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.
- 11. (**Voting rights**): A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- 12. (**Dividend rights**): A Performance Right does not entitle the Holder to any dividends.
- 13. (**Return of capital rights**): The Performance Rights do not confer any right to a return

of capital, whether in a winding up, upon a reduction of capital or otherwise.

14. (**Rights on winding up**): The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

15. (Change in control):

a. If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share.

b. A Change of Control Event occurs when:

- i. **takeover bid**: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or
- ii. **scheme of arrangement**: the announcement by the Company that the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

16. (Takeovers prohibition):

- a. the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
- b. the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.

17. (Issue of Shares):

- a. Within 5 Business days of the Company receiving a Notice of Exercise, or immediately upon the Performance Rights converting under clause 15 of this Schedule 3, the Company must:
 - i. issue the Shares specified in the Notice of Exercise;
 - ii. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
 - iii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.
- b. If the Company is unable to deliver a notice under clause 17.a.ii of this Schedule 3 or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Performance Rights may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- c. All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- 18. (**Quotation**): Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance

- with clause 17.a.iii of this Schedule 3.
- 19. (**No other rights**): A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- 20. (Amendments required by ASX): The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

Further and in addition to the above, the Company confirms the following:

- 1. the Company will make an announcement on the ASX market announcements platform immediately upon the satisfaction of any Milestones, the conversion of any of the Performance Rights and the expiry of any of the Performance Rights; and
- 2. the terms and conditions of the Performance Rights, including without limitation the relevant Milestones that have to be satisfied before each Performance Right is converted into a Share, are not to be changed without the prior approval of ASX and the Company's Shareholders.
- 3. upon conversion of the Performance Rights into Shares, the Company will apply to the ASX for quotation of the Shares within the requisite time period; and
- 4. the Company will disclose the following in each annual report, annual audited financial accounts, half-yearly report and quarterly cash flow report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:
 - a. the number of Performance Rights on issue during the relevant period;
 - b. a summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary Shares into which they are convertible and the relevant Milestones:
 - c. whether any of the Performance Rights were converted or cancelled during that period; and
 - d. whether any Milestones were met during the period.



Wellfully Limited | ACN 056 482 636

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

MRS JANE SAMPLE 123 SAMPLE STREET SAMPLE SURBURB SAMPLE TOWN QLD 4000

Your proxy voting instruction must be received by 10.00am (WST) Wednesday, 23 November 2022, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held bu you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/log insah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic

GPO Box 5193

Sudney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

