



ABN 78 169 979 971

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday, 17 August 2017

Time of Meeting

9:00 am (AWST)

Place of Meeting

First Floor Conference Room
Harry Perkins Institute of Medical Research
QEll Medical Centre QQ Block
6 Verdun Street, Nedlands, WA, 6009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY AND SEEK INDEPENDENT ADVICE BEFORE DECIDING HOW TO VOTE ON THE RESOLUTIONS.

If you are in doubt as to how to deal with this document or how to vote on the Resolutions, please consult your financial or other professional adviser.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**) is to be held on Thursday, 17 August 2017, at the First Floor Conference Room, Harry Perkins Institute of Medical Research, QEII Medical Centre QQ Block, 6 Verdun Street, Nedlands, WA, 6009, commencing at 9:00 am (AWST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

BUSINESS

Resolution 1 – Ratification of Prior Issue – Shares and Options under December 2016 Placement

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

“That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of 6,000,000 Shares and 1,500,000 Options under the December 2016 Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by persons who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Definitions in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

PROXIES

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. “the Company Secretary”).
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member’s voting rights. If no such proportion is specified, each proxy may exercise half of the member’s votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 9:00 am (AWST) on Tuesday, 15 August 2017.

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 5:00 pm (AWST) on Tuesday, 15 August 2017 will be entitled to attend and vote at the Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with an original (or certified copy) 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 in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act 2001.

ATTORNEYS

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 9:00 am (AWST) on Tuesday, 15 August 2017. Previously lodged powers of attorney will be disregarded by the Company.

**DATED THIS 13TH JULY 2017
BY ORDER OF THE BOARD**



Karen Logan
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Extraordinary General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

1. Background to Resolution 1

On 2 December 2016, the Company announced that it would issue approximately 6,000,000 new Shares at an issue price of \$0.24 per Share and 1,500,000 free-attaching Options (**December 2016 Placement Securities**) to raise \$1,440,000 million pursuant to a placement to sophisticated investors (**December 2016 Placement**).

The December 2016 Placement Securities were to be issued under the Company's capacity under Listing Rule 7.1. These Securities have been issued and are subject to Resolution 1.

2. Resolution 1 – Ratification of Prior Issue – Shares and Options under the December 2016 Placement

2.1 General

As set out on section 1 above, on 2 December 2016, the Company issued 6,000,000 Shares and 1,500,000 Options at an issue price of \$0.24 per Share, to raise \$1,440,000 pursuant to December 2016 Placement.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these Shares and Options (**Ratification**).

ASX 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. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. By ratifying this issue, the Company retain the flexibility to issue equity securities in the future up to 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 6,000,000 Shares and 1,500,000 Options were issued;
- (b) the issue price was \$0.24 per Share and the Options were issued for nil consideration;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Options were issued on the terms and conditions set out in Schedule 1 to this Explanatory Memorandum;
- (d) the Shares and Options were issued to sophisticated investors. None of these subscribers were related parties of the Company;
- (e) the funds raised from this issue were used to support:
 - i. the commercialisation and product development of the Company's flagship diagnostic product, PromarkerD, a breakthrough predictive test for diabetic kidney disease;
 - ii. the roll-out of the Company's new analytical testing services for the fast-growing clinical trials market; and
 - iii. ongoing working capital;
- (f) a voting exclusion statement has been included for the Resolution.

2.3 Directors' Recommendation

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

2.4 Voting Intention

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

DEFINITIONS

\$ means an Australian dollar.

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

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

Auditor's Report means the auditor's report on the Financial Report.

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

Board means the board of directors of the Company.

Company or **PILL** means Proteomics International Laboratories Ltd (ACN 169 979 971).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company and **Directors** means the directors of the Company.

Extraordinary General Meeting means the general meeting subject of this Notice.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Annual General Meeting.

Meeting means the meeting of Shareholders convened by the Notice of General Meeting.

Notice or **Notice of Meeting** means the notice of general meeting accompanying this Explanatory Memorandum.

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

Option holder means an option holder of the Company.

Ordinary Securities has the same meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form attached to the Notice.

Schedule means a schedule to the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company

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

SCHEDULE 1

Terms and Conditions of Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) The exercise price of each Option is \$0.20.
- (b) Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
- (c) The Options will expire at 5.00pm WST on 31 March 2018 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the expiry date.
- (d) Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
- (e) A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
- (f) Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.
- (g)
 - a. The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
 - b. The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.20 per Share.
 - c. Subject to paragraph (g)(a) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
 - d. Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - e. If the Company is listed on the ASX, the Company will, within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
 - f. The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- (h) In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- (i) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least five (5) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- (j) There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.



Proteomics International
LABORATORIES LTD

PROXY FORM

MR SAM SAMPLE
UNIT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of Proteomics International Laboratories Ltd hereby appoint

the Chair of
the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:00 am (AWST) on Thursday, 17 August 2017 at the First Floor Conference Room, Harry Perkins Institute of Medical Research, QEII Medical Centre QQ Block, 6 Verdun Street, Nedlands, WA, 6009, and at any adjournment thereof.

The Chair of the Meeting intends to vote undirected proxies in favour of the item of business in which the Chair is entitled to vote. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

(Note: You can direct the Chairman on how to vote by marking the boxes in Section 2 of each item of business if you wish to vote against or abstain for voting.)

2. Items of Business

Please mark ☒ to indicate your voting directions.

	FOR	AGAINST	ABSTAIN
1. Ratification of Prior Issue – Shares and Options under December 2016 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE: If you mark the **Abstain** box for an 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.

If two proxies are being appointed, the proportional voting rights this proxy represents is _____ %

3. Signature of Securityholder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/ Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone

Date

HOW TO COMPLETE THE PROXY FORM

1. Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If a member appoints two proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A duly appointed proxy need not be a securityholder of the company.

2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3. Signing Instructions

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

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

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Lodgement of a Proxy

To vote by proxy, please complete and sign this Proxy Form and return by:

- (a) Post to Proteomics International Laboratories Ltd, C/- PO Box 356, West Perth, WA 6872; or
- (b) Facsimile to the Company on facsimile number +61 8 9321 0721; or
- (c) Email to the Company at enquiries@proteomicsinternational.com.

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting.

Proxy Forms received after this time will be invalid.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from the Company Secretary.