
HERAMED LIMITED

ACN 626 295 314

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY STATEMENT

Notice is given that the Meeting will be held at:

TIME: 9.30 a.m. (AEST)

DATE: Wednesday, 29 May 2019

PLACE: The Boardroom
SMC Conference & Function Centre
66 Goulburn Street
Sydney New South Wales

The business of the Meeting affects your shareholding and requires your immediate attention. Your vote is important.

The matters raised in this document will affect your shareholding in the Company. This document of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 p.m. (AEST) on Monday, 27 May 2019.

NOTICE OF ANNUAL GENERAL MEETING

HeraMED Limited ACN 626 295 314

SECTION 1: TIME AND PLACE OF MEETING

NOTICE is hereby given that the 2018 Annual General Meeting of the shareholders of HeraMED Limited ACN 626 295 314 (**Company**) will be held at the following time and location, and will conduct the business specified in Section 3 below:

Date: Wednesday, 29 May, 2019

Time: 9.30 a.m. (AEST)

Location: The Boardroom
SMC Conference & Function Centre
66 Goulburn Street
Sydney New South Wales

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

SECTION 2: DIRECTIONS REGARDING MEETING

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, please attend the Meeting on the date, time and place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Document as soon as possible and either send, deliver, courier or mail the duly completed Proxy Form:

- to the Share Registry:
 - by mail to: Automic, GPO Box 5193, Sydney NSW 2001

- in person to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- by email to: meetings@automicgroup.com.au; or
- by facsimile to: +61 2 8583 3040; or
- online at <https://investor.automic.com.au/#/loginsah>

so that it is received **no later than 9.30 a.m. (AEST) on 27 May, 2019**.

Complete details on how to vote by proxy are set out on the front of your Proxy Form, that accompanies this Document.

Please read this Document carefully and in its entirety, determine how you wish to vote in relation to each of the Resolutions and then cast your vote accordingly, either in person or by proxy.

If you do not understand any part of this Document, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

Determination of Membership and Voting Entitlement for the Purpose of the Meeting

For the purpose of determining a person's entitlement to attend and vote at the Meeting, a person will be recognised as a Shareholder if that person is registered as a holder of Shares at **7.00 p.m. AEST on 27 May, 2019**. The Board has determined that the Shares on issue at that time will be taken, for the purposes of the Meeting, to be duly held by the person or persons who are registered as the holder or holders of those Shares in the Share Registry, at that time. Accordingly, transfers of Shares registered after that time and date will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

A Shareholder entitled to attend and vote at the Meeting pursuant to the Constitution, is entitled to appoint one or more proxies (provided that more than one proxy is not appointed to exercise the rights attached to a particular Share held by the Shareholder). Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

A proxy need not be a Shareholder.

Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the Chair.

The instrument appointing a proxy, as well as any power of attorney (or a certified copy thereof) under which a proxy is appointed, must be received by the Company or the Share Registry by no later than **9.30 a.m. (AEST) on 27 May, 2019**, in accordance with the instructions provided on the front of the Proxy Form.

The instrument of appointment of a proxy must be executed by the appointor or its duly authorised representative. The Proxy Form which accompanies this Notice may be used to appoint a proxy for the purposes of the Meeting.

Shareholders and their proxies should be aware that:

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

Undirected Proxy Votes

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution in respect of which that proxy was given.

Corporate representative

A Shareholder that is a company and that wishes to appoint a person to act as its representative at the Meeting may do so in the same manner as that in which it could appoint a proxy.

If you wish to discuss any of the matters in this Notice of Meeting or Explanatory Statement, please contact the Company Secretary on +61 8 6189 1155 during business hours.

SECTION 3: AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider each of:

- the Annual Report;
- the declaration of the Directors,
- the Director's Report;
- the Remuneration Report; and
- the auditor's report.

each of the Company and for the financial year ended 31 December 2018.

During this item of business, Shareholders will have the opportunity to ask questions about and comment on the Company's management, operations, financial position, business strategies and prospects.

Shareholders will also have the opportunity for direct questions to the Auditor, to the extent relevant to the conduct of the audit of the Company, the preparation and contents of the Auditor's Report contained in the Annual Report (pages 51-55), the accounting policies adopted by the Company in the preparation of its financial statements and the independence of the Auditor.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement:

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 (**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 – ELECTION OF DIRECTOR – DAVID HINTON

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, David Hinton, a Director who was appointed as a director on 21 August 2018, retires, and being eligible, is elected as a Director.”

No Voting Exclusion Statement is applicable to the voting in respect of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – RONALD WEINBERGER

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ronald Weinberger, a Director who was appointed as a director on 21 August 2018, retires, and being eligible, is elected as a Director.”

No Voting Exclusion Statement is applicable to the voting in respect of Resolution 3.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – TAL SLONIM

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Tal Slonim, a Director who was appointed as a director on 27 September 2018, retires, and being eligible, is elected as a Director.”

No Voting Exclusion Statement is applicable to the voting in respect of Resolution 4.

6. RESOLUTION 5 – ELECTION OF DIRECTOR – DORON BIRGER

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Doron Birger, a Director who was appointed as a director on 5 October 2018, retires, and being eligible, is elected as a Director.”

No Voting Exclusion Statement is applicable to the voting in respect of Resolution 5.

7. RESOLUTION 6 – APPOINTMENT OF AUDITOR AT FIRST AGM

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

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit (WA) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the meeting.”

No Voting Exclusion Statement is applicable to the voting in respect of Resolution 6.

8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

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

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue that is the subject of Resolution 7 (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a director of the Company.

However, a person (**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 at his or her discretion as to the way the proxy is to vote on this Resolution.

9. RESOLUTION 8 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

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

“THAT, pursuant to and in accordance with the provisions of ASX Listing Rule 7.2, Exception 9(b) and for all other purposes, Shareholders approve the adoption of the Plan Rules (as defined in the Glossary) and the grant and issue of Awards on the terms and conditions of the Plan Rules, as described in Section 6 of the Explanatory Statement.”

Voting Exclusion Statement:

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

- (a) a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an associate of a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).

However, a person (**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 at his or her discretion as to the way the proxy is to vote on this Resolution.
-

Dated: 26 April 2019

By order of the Board



**Stephen Buckley
Company Secretary**

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on its website at <https://hera-med.com/investor-relations/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

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

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the date of the convening of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

The meeting the subject of this Notice of Meeting is the Company's first annual general meeting.

3. RESOLUTIONS 2, 3, 4 AND 5 – ELECTION OF DIRECTORS – DAVID HINTON, RONALD WEINBERGER, TAL SLONIM AND DORON BIRGER

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director (excluding a Managing Director) so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Having been appointed by other Directors as follows:

- a) Mr Hinton on 21 August 2018;
- b) Mr Weinberger on 21 August 2018;
- c) Mr Slonim on 27 September 2018; and
- d) Mr Birger on 5 October 2018,

each will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders at this Meeting.

3.2 Election of David Hinton

Mr Hinton, who has served as a Director since 21 August 2018, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Mr Hinton has an extensive career in the information and technology sectors and is currently Chief Financial Officer and Company Secretary of Empired Limited, an ASX listed IT and software services provider and prior to that Amcom Telecommunications Ltd. He holds a Bachelor of Business Degree and is a Fellow of the Institute of Chartered Accountants, Graduate of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia. Mr Hinton is also a Director of Auspire - The Australia Day Council of Western Australia.

(b) **Independence**

If elected the Board considers that Mr Hinton will be an independent director.

(c) **Board recommendation**

The Board supports the election of Mr Hinton and recommends that Shareholders vote in favour of Resolution 2.

3.3 Election of Ronald Weinberger

Dr Weinberger, who has served as a Director since 21 August 2018, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Dr Weinberger is an experienced technology and business development executive, with a demonstrated history of building significant value at multiple levels in the medical device industry. Dr Weinberger is the former Executive Director and Chief Executive Officer of Nanosonics Limited (ASX: NAN). During his time at Nanosonics, Dr Weinberger co-developed its platform technology, launched its breakthrough product Trophon globally and created a North American sales team to work alongside GE Healthcare. He also developed the distribution strategy for Europe having partnered with Toshiba Medical Systems (now Canon Medical Systems) and Miele Professional.

(b) **Independence**

If elected the Board considers that Dr Weinberger will be an independent director.

(c) **Board recommendation**

The Board supports the re-election of Dr Weinberger and recommends that Shareholders vote in favour of Resolution 3.

3.4 Election of Tal Slonim

Mr Slonim, who has served as a Director since 27 September 2018, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Mr Slonim is a qualified engineer and operations manager with over 20 years of experience. He is the co-founder and part-time Chief Executive Officer of Meytar R&D, one of Israel's top Research & Development services firm. Mr Slonim brings vast knowledge, hands-on capabilities and profound experience in system design of multi-disciplinary, integrated solutions as well as transition to mass manufacturing and production line erection and validation.

(b) **Independence**

If elected the Board considers that Mr Slonim will not be an independent director, as he is both an executive director and a substantial shareholder in the Company.

(c) **Board recommendation**

The Board supports the election of Mr Slonim and recommends that Shareholders vote in favour of Resolution 4.

3.5 Election of Doron Birger

Mr Birger, who has served as a Director since 5 October 2018, retires and seeks re-election.

(a) **Qualifications and other material directorships**

Mr Birger is the former Chairman of Given Imaging (NASDAQ/TASE: GIVN), Chief Executive Officer of Elron Electronic Industries (Nasdaq / TASE: ELRN) and was a board member, during different periods, in a variety of publicly traded companies (including Elbit Systems, Elbit Ltd, Netvision, Icecure, Medigus, HBL Hadasit, Insuline, MCS and Starling). During such period, Mr Birger was involved in investments, merger and acquisitions, exits, public offerings on NASDAQ and private equity rounds totalling billions of dollars. Mr Birger currently serves as chairman and board member and consultant to a variety of technology companies, mainly in medical device field, and conducts many voluntary and public activities.

(b) **Independence**

If elected the Board considers that Mr Birger will be an independent director.

(c) **Board recommendation**

The Board supports the re-election of Mr Birger and recommends that Shareholders vote in favour of Resolution 5.

4. RESOLUTION 6 – APPOINTMENT OF AUDITOR AT FIRST AGM

The Directors of a public company must appoint an auditor within one month of registration. The directors have appointed BDO as the Company's auditor.

The auditor of a public company so appointed within one month of registration holds office until the first annual general meeting of the Company. The auditor must be re-appointed, or an alternate auditor appointed, at the first annual general meeting so that it may continue to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for BDO to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as **Annexure A**.

BDO has given its written consent to act as the Company's auditor subject to shareholder approval of this resolution.

If this resolution is passed, the appointment of BDO as the Company's auditor will take effect at the close of this Meeting.

Board recommendation

The Board supports the appointment of BDO as auditor of the Company and recommends that all Shareholders cast all their votes in favour of Resolution 6.

5. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below and in the Glossary) may seek shareholder approval by special resolution passed at an

annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined in the Glossary) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$19.3m (based on the number of Shares on issue and the closing price of Shares on the ASX on 18 April 2019).

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of Equity Securities as quoted by ASX.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: HMD).

If Shareholders approve Resolution 7, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued under the 10% Placement Capacity is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class of Equity Security were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued, is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring no later than the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking), after which date, an approval under ASX Listing Rule 7.1A ceases to be valid,

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would, based on the assumptions stated in the Notes to the Table below, be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 18 April 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.11 (50% decrease in Issue Price)	\$0.22 (Issue Price)	\$0.33 (50% increase in Issue Price)
Variable A 87,528,841	Shares issued - 10% voting dilution	8,752,884 Shares	8,752,884 Shares	8,752,884 Shares
	Funds raised	\$962,817	\$1,925,634	\$2,888,451
(50% Increase is Variable A) 131,293,261	Shares issued - 10% voting dilution	13,129,326 Shares	13,129,326 Shares	13,129,326 Shares
	Funds raised	\$1,444,225	\$2,888,451	\$4,332,677
(100% Increase in Variable A) 175,057,682	Shares issued - 10% voting dilution	17,505,768 Shares	17,505,768 Shares	17,505,768 Shares
	Funds raised	\$1,925,634	\$3,851,268	\$5,776,903

Notes:

- (a) The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.
- (b) The table above uses the following assumptions:
- (i) There are currently 87,528,841 Shares on issue.
 - (ii) The issue price set out above is the closing price of the Shares on the ASX on 18 April 2019.
 - (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
 - (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
 - (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
 - (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements

under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) to procure cash subscriptions in which case the Company intends to use funds raised to intensify and pursue its stated intention to separate the individual business units within the Company according to its six main and autonomous businesses; or
- (ii) as non-cash consideration for the acquisition of additional assets, as yet not identified, that are complimentary to the Company's existing business.

The Company will comply with the disclosure obligations under ASX Listing Rule 7.1A(4) and 3. ASX Listing Rule 10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be a vendor of the new resources, assets or investments, or associates of such vendor.

(f) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

5.3 Board recommendation

The Board supports the establishment of the 10% Placement Capacity on the terms stated in this Section 4 and recommends that all Shareholders cast all their votes in favour of Resolution 7.

5.4 Voting Prohibition Statement

A voting prohibition statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

Resolution 7 represents the first time that the Company has sought Shareholder approval under the provisions of ASX Listing Rule 7.1A.

6 RESOLUTION 8 – APPROVAL OF HERAMED EMPLOYEE INCENTIVE PLAN RULES

On 16 April 2019, the Board established an employee incentive scheme called the "HeraMED Limited Employee Incentive Plan" (**Plan**). Shareholder approval of the Plan is being sought for all purposes under the ASX Listing Rules, including ASX listing rule 7.2 (Exception 9), so that any equity securities issued in accordance with the Plan will be excluded from the calculation of the maximum number of new equity securities that can be issued by the Company in any 12 month period (currently 15% of equity securities previously on issue), for a period of three years from the date of Shareholder approval.

A copy of the terms and conditions of the HeraMED Limited Employee Incentive Plan Rules can be obtained from the Company free of charge.

The Plan is an employee equity plan developed to meet what the Board feels are contemporary corporate equity participation design standards and to provide the required flexibility in the design and offer of choices available in respect of various new equity schemes.

Below is a summary of the material terms and conditions of the Plan.

- **Eligibility**

The Board has discretion to determine which employees are eligible to participate in the Plan. The definition of employee under the rules of the Plan

includes full time or part time executive, director, senior manager, employee and other party who are close business associates of the Company or any related body corporate of the Company.

- ***Vesting conditions***

The vesting of any equity securities issued under the Plan may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the participant in the individual's offer documents.

- ***Exercise of equity securities***

Vested equity securities issued under the Plan may not automatically trigger the exercise of the equity securities, but a participant will be entitled to exercise its equity securities in accordance with the terms contained in the invitation to that participant.

- ***Price***

Equity securities issued under the Plan may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the participant's offer.

- ***Lapse/forfeiture***

Equity securities issued under the Plan will lapse or be forfeited on the earliest of:

- any expiry date applicable to the equity securities;
- any date which the Board determines that vesting conditions applicable to the equity securities are not met or cannot be met;
- the participant dealing in respect of the equity securities in contravention of the Plan; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold his or her relevant office under the relevant provisions of the Companies Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

- ***Board may elect to settle in cash***

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the Plan, the Company may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

- ***Waiving the restricted period***

The Board may waive or shorten the restriction period applicable to equity securities issued under the Plan, as contained in the offer to the participant.

- ***Change of Control***

On the occurrence of a Change of Control (as defined in the rules of the Plan) of the Company, the Board will determine, in its sole and absolute discretion, the

manner in which vested and unvested equity securities issued under the Plan shall be dealt with.

- **Cessation of employment**

All unvested equity securities issued under the Plan will lapse immediately on termination of employment of the relevant participant unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

- **No dealing or hedging**

Dealing restrictions may apply to equity securities issued under the Plan in accordance with the rules of the Plan and the Company's Securities Trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested equity securities issued under the Plan.

- **Rights attaching to Shares**

Shares issued under the Plan will rank equally for dividends and other entitlements and will be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

- **Company may issue or acquire shares**

The Board may, in its discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations under the Plan.

- **Adjustments**

Prior to the allocation of Shares to a participant upon vesting or exercise of equity securities issued under the Plan, the Board may make any adjustment it considers appropriate to the terms of equity securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

- **Limits on securities issued**

The number of shares that may be issued under the Plan will be set with regard to the limits prescribed under any applicable legislation, regulation, policy or other requirement of any duly empowered governmental agency with respect to employee share scheme offers made without a prospectus or other form of prescribed disclosure.

- **Continued operation of the Plan**

The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.

Range of Employee Share Schemes: The Plan enables the Company to offer its employees a range of different employee share scheme interests (each an **ESS**). These ESS interests or 'awards' include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The type of ESS interest that may be offered by the Board, on behalf of the Company, to employees will be determined by a number of factors, including:

- the remuneration or incentive purpose of the award;
- the tax jurisdiction that the participating employee lives and/or works in;
- the laws governing equity incentives where the participating employee lives and/or works; and
- the logistics and compliance costs associated with offering equity incentives where the participating employee lives and/or works.

The provisions of the Plan are set out in Plan Rules and copy of those provisions is available to any Shareholder upon request from the Company, at no expense to the requesting Shareholder.

Previous Offers: Since its establishment, no securities have been issued under the Plan.

Directors' Recommendation: The Directors recommend that all Shareholders cast all their votes in favour of Resolution 8. As stated in the Notice of Meeting, any vote cast in respect of Resolution 8 by a Director and any Associate of a Director will be disregarded, except as stated in the Notice of Meeting.

Resolution 8 represents the first time that the Company has sought Shareholder approval under the provisions of ASX Listing Rule 7.2 (Exception 9).

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given to that phrase in Section 5.

AEST means Australian Eastern Standard time.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

BDO means BDO Audit (WA) Pty Ltd ACN 112 284 787.

Board means the current board of directors of the Company.

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

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

Company means HeraMED Limited ACN 626 295 314.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Plan Rules means the terms and conditions of the HeraMED Limited Employee Incentive Plan.

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.

Meeting means the Annual General Meeting of the Company in respect of which this document has been issued.

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

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2019.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – NOMINATION OF AUDITOR LETTER

9 April 2019

HeraMED Limited
C/- Nova Legal
Level 2
46-50 Kings Park
Road
West Perth WA 6005

NOMINATION OF AUDITOR

I, Ron Weinberger being a member of HeraMED Limited (**Company**), nominate BDO Audit (WA) Pty Ltd (ACN 112 284 787) in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act. Yours sincerely

Ron Weinberger

RON WEINBERGER

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HeraMed Limited | ACN 626 295 314

AGM Registration Card

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

Holder Number:

Vote by Proxy: HMD

Your proxy voting instruction must be received by **9.30am (AEST) on Monday, 27 May 2019**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by 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

You must sign this form as follows in the spaces provided

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the 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 by 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



