
MYFIZIQ LIMITED

ACN 602 111 115

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: 27 November 2019

PLACE: Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000 Australia

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 25 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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 30 June 2019."

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

Voting Prohibition 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 (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 DIRECTOR – MR MICHAEL MELBY

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 18.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Michael Melby, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE - SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED

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 7.4 and for all other purposes, Shareholders ratify the issue of 6,999,999 Shares to Asia Cornerstone Asset Management Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement."

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE - SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED (CONTINUED)

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Asia Cornerstone Asset Management Limited (or its nominee) or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – ISSUE OF SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED

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, approval is given for the Company to issue 1,666,668 Shares to Asia Cornerstone Asset Management Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS – TAMARACK MEDIA, LLC

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, approval is given for the Company to issue up to 5,000,000 Performance Rights to Tamarack Media, LLC (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – ISSUE OF OPTIONS – BELL POTTER SECURITIES LIMITED

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, approval is given for the Company to issue up to 5,000,000 Options to Bell Potter Securities Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 6 – ISSUE OF OPTIONS – BELL POTTER SECURITIES LIMITED (CONTINUED)

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – MR NICHOLAS PROSSER

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, approval is given for the Company to issue up to 2,000,000 Shares to Mr Nicholas Prosser (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Nicholas Prosser (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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 the 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 the Key Management Personnel.

9. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – MR MICHAEL MELBY

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, approval is given for the Company to issue up to 1,000,000 Shares to Mr Michael Melby (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Melby (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – MR MICHAEL MELBY (CONTINUED)

Voting Prohibition Statement:

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

- (b) the proxy is either:
 - (i) a member of the 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 the Key Management Personnel.

10. RESOLUTION 9 – RE-ADOPTION OF INCENTIVE OPTION PLAN

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 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to re-adopt an employee incentive scheme titled Incentive Option Plan and for the issue of securities under that Option Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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 the 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 the Key Management Personnel.

11. RESOLUTION 10 – 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 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.”

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – REPLACEMENT OF CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 24 October 2019

By order of the Board



Mr Steven Richards
Joint Company Secretary

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
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. 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.

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

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 30 June 2019 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 financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.myfiziq.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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 shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

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

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (CONTINUED)

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF MR MICHAEL MELBY

3.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Michael Melby, who has served as a Director since 27 October 2017 and was last re-elected on 27 November 2018, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Melby brings a wealth of knowledge and skills to the Board through his experience as an investment banker and private equity professional. Mr Melby has demonstrated global success investing in the fitness industry and building one of the fastest growing gym chains in the world. Mr Melby's experience encompasses operating leading health club brands around the world, finance and digital strategy, business development and international growth. Mr Melby has not served as a director of any other listed companies in the 3 years immediately before the end of the 2019 financial year.

3.3 Independence

Mr Melby is the Managing Director of FitLab, LLC. As previously announced to ASX, the Company has entered into various agreements with FitLab in relation to the integration of the Company's technology into the Fitocracy, Mayweather and McGregor FAST mobile applications.

If elected the board does not consider Mr Melby will be an independent director.

3.4 Board recommendations

The Board supports the re-election of Michael Melby and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE - SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED

4.1 General

On 12 February 2019, the Company entered into a subscription agreement with Asia Cornerstone Asset Management Limited (**ACAM**) (**Subscription Agreement**). Pursuant to the variation of the Subscription Agreement dated 4 June 2019, ACAM has agreed to subscribe for a total of 8,666,667 Shares for the subscription price of \$0.60 per Share (**Subscription Shares**) in the following tranches:

- (a) (**Tranche 1**): on 25 February 2019, 2,000,000 Subscription Shares;
 - (b) (**Tranche 2**): on 8 April 2019, 1,666,667 Subscription Shares;
 - (c) (**Tranche 3**): on 20 May 2019, 833,333 Subscription;
 - (d) (**Tranche 3A**): on 14 June, 833,333 Subscription Shares;
 - (e) (**Tranche 4**): on 1 August 2019, 833,333 Subscription Shares;
 - (f) (**Tranche 4A**): on 15 September 2019, 833,333 Subscription Shares;
 - (g) (**Tranche 5**): on 12 November 2019, 833,334 Subscription Shares; and
 - (h) (**Tranche 5A**): on 15 December 2019, 833,334 Subscription Shares,
- (together, **Tranches**).

At the date of this Notice, the Company has issued the Subscription Shares pursuant to Tranches 1 to 4A (being a total of 6,999,999 Subscription Shares).

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Subscription Shares.

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 general meeting ratifies the 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 will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE - SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED (CONTINUED)

4.2 Technical information required by ASX Listing Rule 7.5

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

- (a) 6,999,999 Shares have been issued to ACAM;
- (b) the Shares were issued for \$0.60 per Share;
- (c) the Shares were issued to ACAM (or its nominee), who is not a related party of the Company;
- (d) the Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the Company has spent all of the funds raised from the issue of the Subscription Shares towards the continued development and marketing of the application technology and for the working capital requirements of the Company.

5. RESOLUTION 4 – ISSUE OF SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED

5.1 General

As set out in section 4.1 above, the Company has agreed to issue the following Subscription Shares to ACAM for the subscription price of \$0.60 per Share:

- (a) **(Tranche 5)**: on 12 November 2019, 833,334 Subscription Shares; and
- (b) **(Tranche 5A)**: on 15 December 2019, 833,334 Subscription Shares.

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Shares pursuant to Tranches 5 and 5A during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

RESOLUTION 4 – ISSUE OF SHARES - ASIA CORNERSTONE ASSET MANAGEMENT LIMITED (CONTINUED)

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Resolution 4:

- (a) the maximum number of Shares to be issued is 1,666,668;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that:
 - (i) 833,334 Shares will be issued on the same date on or about 12 November 2019; and
 - (ii) 833,334 Shares will be issued on the same date on or about 15 December 2019;
- (c) the issue price will be \$0.60 per Share;
- (f) the Shares were issued to ACAM (or its nominee), who is not a related party of the Company;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the intended use of the funds raised from the issue of the Subscription Shares is set out in section 4.1(e) above.

6. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS – TAMARACK MEDIA, LLC

6.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 5,000,000 Performance Rights to Tamarack Media, LLC (or its nominees) (**Tamarack**) in consideration for advisory services provided pursuant to an agreement that has been entered into between Tamarack and the Company (**Advisor Agreement**).

Tamarack is Mr Bill Bradford's consultancy company. Pursuant to the Advisor Agreement, Mr Bradford will report to the Chief Executive Officer of the Company and provide services including, but not limited to:

- (a) negotiating and procuring agreements for the implementation of the Company's technology;
- (b) identifying new sales leads;
- (c) pitching the Company's products and/or services;
- (d) maintaining relationships with existing US customers of the Company;
- (e) contacting potential clients of the Company via email or phone to establish rapport and organize meetings;

RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS – TAMARACK MEDIA, LLC (CONTINUED)

- (f) attending conferences, meetings, and industry events as a representative of the Company; and
- (g) writing reports and provide feedback to the Chief Executive Officer and senior management of the Company.

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.

The effect of Resolution 5 will be to allow the Company to issue the Performance Rights pursuant to Resolution 5 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Background

Mr Bradford is a seasoned industry veteran who has held several prominent executive leadership roles in digital media products and technology. His expertise is in building teams and driving the digital transformation of traditional businesses into new business and consumer engagement models.

Most recently, Mr Bradford was Chief Digital Officer at Beachbody, LLC, where he led the transformation of the company's media business from a transactional DVD sales model to a multi-platform consumer subscription service. Mr Bradford built the strategy and team that launched the product Beachbody on Demand, which is now the core engagement hub for Beachbody's customers.

Previously, Mr Bradford led the digital transformation of Fox Broadcasting from a traditional linear broadcast business to a multi-platform content service with new monetization and customer engagement models. The responsibilities included running Fox.com, the Fox Now streaming service, all of Fox's social platforms, and digital innovations including launching online voting for hit series such as American Idol and The X Factor. Mr Bradford also served as the Chief Product Officer on the Hulu launch team, a joint venture between Fox and NBC.

Mr Bradford has held other product leadership roles at Yahoo! and American Online, and technology implementation leadership roles at Oracle Corporation.

Having graduated from West Point, Mr Bradford started his career as a U.S. Army Officer, achieving the rank of Captain. Mr Bradford also holds a Master's Degree in Operations Research from George Washington University.

RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS – TAMARACK MEDIA, LLC (CONTINUED)

6.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Performance Rights to be issued is 5,000,000;
- (b) the Performance Rights will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (c) the Performance Rights will be issued for nil cash consideration in satisfaction of advisory services provided by Tamarack;
- (d) the Performance Rights will be issued to Tamarack (or its nominees), who is not a related party of the Company;
- (e) the Performance Rights will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Performance Rights as the Performance Rights are being issued in consideration for advisory services provided by Tamarack.

7. RESOLUTION 6 – ISSUE OF OPTIONS – BELL POTTER RESOURCES LIMITED

7.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 5,000,000 Options to Bell Securities Resources Limited (**Bell Potter**) (or its nominees) in consideration for corporate advisory services provided pursuant to a corporate advisory mandate that has been entered into between Bell Potter and the Company (**Mandate**).

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.

The effect of Resolution 6 will be to allow the Company to issue the Options pursuant to Resolution 6 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

RESOLUTION 6 – ISSUE OF OPTIONS – BELL POTTER RESOURCES LIMITED (CONTINUED)

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Options to be issued is 5,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration in satisfaction of corporate advisory services provided by Bell Potter;
- (d) the Options will be issued to Bell Potter (or its nominees), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue of the Options as the Options are being issued in consideration for corporate advisory services provided by Bell Potter.

8. RESOLUTION 7 AND 8 – ISSUE OF SHARES TO RELATED PARTIES

8.1 General

The Company has entered into contracts for services with each of Mr Prosser and Mr Melby in connection with their appointment as Directors.

Under these contracts for services, the Company has agreed to issue Mr Prosser and Mr Melby 1,000,000 Shares for every 12 month period that they stay engaged as Directors.

Subject to obtaining Shareholder approval, under those contracts for services the Company has agreed to issue:

- (a) 1,000,000 Shares to Nicholas Prosser (or his nominee) upon the completion of 12 months of service (being 18 April 2019); and
- (b) 1,000,000 Shares to Nicholas Prosser (or his nominee) upon the completion of 24 months of service (being 18 April 2020); and
- (c) 1,000,000 Shares to Michael Melby (or his nominee) upon the completion of 24 months of service (being 27 October 2019),

(Related Party Shares) on the terms and conditions set out below.

RESOLUTION 7 AND 8 – ISSUE OF SHARES TO RELATED PARTIES (CONTINUED)

Shareholders have previously approved the issue of Related Party Shares referred to in paragraph (a) above at the Company's 2018 annual general meeting. However, these Related Party Shares were not issued by the Company within the required time after that meeting and, accordingly, the Company is seeking a fresh Shareholder approval for the issue of these Related Party Shares.

This Resolution seeks Shareholder approval for the issue of the Related Party Shares to Messrs Prosser and Melby (or their nominees) on completion of required periods of service.

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

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

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

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

The issue of Related Party Shares constitutes giving a financial benefit and Nicholas Prosser and Michael Melby are related parties of the Company by virtue of being Directors.

The Directors (other than Nicholas Prosser and Michael Melby (as applicable) who have a material personal interest in the relevant Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares because the agreement to issue the Related Party Shares, reached as part of the remuneration package for Nicholas Prosser and Michael Melby, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

As the issue of the Shares the subject of this Resolution involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to these Resolutions:

- (a) the Related Party Shares will be issued to Nicholas Prosser and Michael Melby (or their nominees);
- (b) the number of Related Party Shares to be issued is 3,000,000;

RESOLUTION 7 AND 8 – ISSUE OF SHARES TO RELATED PARTIES (CONTINUED)

- (c) the Related Party Shares will be issued as follows:
 - (i) subject to Resolution 7, 1,000,000 Shares (owing after 12 months of service) will be issued to Mr Prosser (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
 - (ii) subject to Resolution 7, an additional 1,000,000 Shares (owing after 24 months of service) will be issued to Mr Prosser (or his nominee) no earlier than 18 April 2020 and no later than 31 May 2020 (as permitted by the ASX waiver dated 23 October 2019 set out in Schedule 4 and in accordance with the terms and conditions set out therein); and
 - (iii) subject to Resolution 8, 1,000,000 Shares (owing after 24 months of service) will be issued to Mr Melby (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Related Party Shares will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The issue of 3,000,000 Related Party Shares will increase the number of Shares on issue from 101,069,323 (being the amount Shares that are currently on issue) to 104,069,323 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.97%, comprising 1.98% by Mr Prosser and 0.99% by Mr Melby.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Shares to Nicholas Prosser and Michael Melby (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Pursuant to the ASX waiver referred to above, the Company's 2020 Annual Report will disclose the details of the number of Related Party Shares issued to Mr Prosser (or his nominee), including the percentage of the Company's capital represented by those Shares.

9. RESOLUTION 9 – RE-ADOPTION OF EMPLOYEE SHARE OPTION PLAN

Resolution 9 seeks Shareholders' approval for the re-adoption of the employee incentive scheme titled Incentive Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

A total of 18,100,000 Options have previously been issued under the Plan. 11,750,000 of those Options have been exercised or cancelled in accordance with the terms of the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 5. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting.

10. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY

10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) 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 below) 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.

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

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 \$26,278,024 (based on the number of Shares on issue and the last closing share price on 8 October 2019 being \$0.26).

An 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.

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

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: MYQ).

If Shareholders approve Resolution 10, 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 10 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 10 for it to be passed.

10.2 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 this Resolution 10:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued 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 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 10.2(a)(i), the date on which the Equity Securities are issued.

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on 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 Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under 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 10 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 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), incorporating the assumptions listed below the table.

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.

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.13 50% decrease in Issue Price	\$0.26 Issue Price	\$0.39 50% increase in Issue Price
105,735,991 (Current Variable A)	Shares issued - 10% voting dilution	10,573,599 Shares	10,573,599 Shares	10,573,599 Shares
	Funds raised	\$1,374,567.87	\$2,749,135.74	\$4,123,703.61
158,603,987 (50% increase in Variable A)	Shares issued - 10% voting dilution	15,860,399 Shares	15,860,399 Shares	15,860,399 Shares
	Funds raised	\$2,061,851.74	\$4,123,703.48	\$6,185,555.22
211,471,982 (100% increase in Variable A)	Shares issued - 10% voting dilution	21,147,198 Shares	21,147,198 Shares	21,147,198 Shares
	Funds raised	\$2,749,135.74	\$5,498,271.48	\$8,247,407.22

*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 Listing Rule 7.1.

The table above uses the following assumptions:

1. Variable A is comprised of the shares currently on issue, this being 101,069,323 Shares, and a further 4,666,668 Shares should Resolutions 4, 7 and 8 be approved.
2. The issue price set out above is the closing price of the Shares on the ASX on 8 October 2019.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. 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.
4. 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. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
5. 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.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. 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%.

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

8. 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 Company's 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) as cash consideration in which case the Company intends to use funds raised for acquisition of assets or investments, to advance its product development and marketing programs and general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new assets or investments and for services provided to the Company in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A 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

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

- (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 vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 27 November 2018, the Company otherwise issued a total of:

- (i) 18,530,768 Shares;
- (ii) 250,000 Options (issued under services agreements);
- (iii) 1,300,000 Options (issued under the employee Incentive option plan);
- (iv) 50,000 Performance Rights (issued pursuant to the Incentive Performance Rights Plan); and
- (v) 100,000 Convertible Notes;

which represents approximately 24.51% of the total diluted number of Equity Securities on issue in the Company on 27 November 2018, which was 82,538,555.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 3.

(g) **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 Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY (CONTINUED)

10.3 Voting Exclusion

A voting exclusion 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 10.

11. RESOLUTION 11 – REPLACEMENT OF CONSTITUTION

11.1 General

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

Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 27 February 2015.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.myfiziq.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9316 9100). Shareholders are invited to contact the Company if they have any queries or concerns.

RESOLUTION 11 – REPLACEMENT OF CONSTITUTION (CONTINUED)

11.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

RESOLUTION 11 – REPLACEMENT OF CONSTITUTION (CONTINUED)

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

RESOLUTION 11 – REPLACEMENT OF CONSTITUTION (CONTINUED)

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

RESOLUTION 11 – REPLACEMENT OF CONSTITUTION (CONTINUED)

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 10.1.

ACAM means Asia Cornerstone Asset Management Limited.

Advisor Agreement means the advisor agreement between Tamarack and the Company.

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.

Bell Potter means Bell Potter Securities Limited (ACN 006 390 772).

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 Myfiziq Limited (ACN 602 111 115).

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 Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Performance Rights Plan means the incentive performance rights plan of the Company which was approved by Shareholders on 16 February 2017.

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.

Mandate means the corporate advisory mandate between the Company and Bell Potter.

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.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Plan means the employee share option plan of the Company that is the subject of Resolution 9.

Proposed Constitution has its meaning given to it in Section 11.1.

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 30 June 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.

Subscription Agreement has its meaning set out in clause 4.1.

Tamarack means Tamarack Media, LLC.

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.

SCHEDULE 1 – TERMS AND CONDITIONS OF THE PERFORMANCE RIGHTS

For the purposes of this Schedule, “**Substantial Organisation**” means any company or organisation that is first introduced by Tamarack or the Company agrees is a target and which company or organisation must, unless otherwise agreed to by the Company, have a minimum of 1,500,000 monthly active users or followers that results in an undertaking from the company or organisation to deliver a minimum of 500,000 active users or subscribers to the Company within the first 24 month period contract period with the Company.

- (a) **(Entitlement):** Each Performance Right entitles the holder (**Holder**) to subscribe for Share upon satisfaction of the Milestones (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Milestones):** The Performance Rights shall vest and be convertible into Shares (on a one for one basis) as follows:
 - (i) every time the Company enters into a binding agreement (term sheet or otherwise) with a Substantial Organisation, 250,000 of the Performance Rights will vest; and
 - (ii) in the event the Company has not entered into a minimum of four (4) binding agreements (term sheet or otherwise) with Substantial Organisations in every 12 month period, then, at the election of the Company, all remaining Performance Rights held by the Tamarack will lapse;and:
 - (iii) subject to paragraph (iv) below, if the Advisor Agreement is validly terminated in accordance with its terms:
 - (A) any unvested Performance Rights shall remain in existence for a period of 12 months (**Run off Period**);
 - (B) in the event the Company is acquired, during the Run Off Period, by one of the Substantial Organisations that has been introduced by the Advisor prior to the date of termination, then all unvested Performance Rights shall automatically vest; and
 - (C) the Advisor will no longer be able to achieve vesting of any unvested Performance Rights by achieving the criteria set out in clause 3.1(a) (because the Advisor will no longer be performing any services for the Company); and
 - (iv) in the event the Company terminates the Advisor Agreement without notice due to the Holder being guilty of misconduct of a kind such that it would be unreasonable to require the Company to continue the engagement during any notice period, all unvested Performance right will automatically lapse.
- (c) **(Notice of satisfaction of Milestones):** The Company shall give written notice to the Holder promptly following satisfaction of any of the Milestones or lapse of a Performance Right where the Milestones are not satisfied.
- (d) **(No voting rights):** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (e) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.

- (f) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (g) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (h) **(Not transferable)** A Performance Right is not transferable.
- (i) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (j) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (k) **(Participation in new issues)** A Performance Right does not entitle a Holder (in its capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (l) **(No other rights)** A Performance Right gives the Holder no 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.

Conversion of the Performance Rights

- (m) **(Term)** Each Performance Right shall have a term of four (4) years from their date of issue, subject to any conditions relating to earlier lapsing.
- (n) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company (**Conversion Notice**) within twelve months from the date of the achievement of each of the Milestones. No payment is required to be made for conversion of a Performance Right to a Share.
- (o) **(Obligation not to dispose)** For the period of 12 months from the date of the conversion under (n) above, the new Shares will be incapable of being disposed of or sold by the Holder and will be subject to a holding lock imposed by the Company (unless otherwise agreed to by the Company).
- (p) **(Lapse)** If the Milestones are not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (q) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (r) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 business days following the issue of the Share.
- (s) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise each of the Options will be as follows:

- (i) **(Tranche 1 Options):** 1,000,000 Options will be exercisable at \$0.25 per Option;
- (ii) **(Tranche 2 Options):** 1,500,000 Options will be exercisable at \$0.45 per Option; and
- (iii) **(Tranche 3 Options):** 2,500,000 Options will be exercisable at \$0.60 per Option,

(each being an **Exercise Price**).

(c) **Vesting Conditions**

Each of the Options have the following vesting conditions:

- (i) the Tranche 1 Options vest immediately on issue;
- (ii) the Tranche 2 Options vest six months after their date of issue unless the Mandate has been validly terminated in accordance with its terms prior to that date; and
- (iii) the Tranche 3 Options vest twelve months after their date of issue unless the Mandate has been validly terminated in accordance with its terms prior to that date.

If the Mandate is validly terminated in accordance with its term, any unvested Options will immediately lapse.

(d) **Expiry Date**

The Options will expire at 5:00 pm (WST) three years from their date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

Options that have vested in accordance with paragraph (c) are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 Business Days after the Exercise Date, the Company will:

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

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **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 without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

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

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 27 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Date of Issue: 5 December 2018 Date of Appendix 3B: 5 December 2018	1,000,000	Shares ²	Mr Michael Melby	Nil cash consideration	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$260,000
Date of Issue: 14 December 2018 Date of Appendix 3B: 14 December 2018	500,000	Unquoted Options ³	Employees of the Company pursuant to the Incentive Option Plan	Nil cash consideration.	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$53,535
Date of Issue: 30 January 2019 Date of Appendix 3B: 30 January 2019	100,000	Convertible Notes ⁶	Sophisticated investors identified by the Board under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1	\$1 per Convertible Note. The Convertible Notes may convert into a maximum of 333,333 Shares, making the effective issue price \$0.33 per Share (representing a discount of 5.71% to Market Price of \$0.35)	Cash Amount raised: \$100,000 Amount spent: \$100,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 5 March 2019 Date of Appendix 3B: 5 March 2019	2,000,000	Shares ²	ACAM	\$0.60 per Share (representing a premium of 73.9% to the Market Price of \$0.345)	Cash Amount raised: \$1,200,000 Amount spent: \$1,200,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 5 March 2019 Date of Appendix 3B: 5 March 2019	2,750,000	Shares ²	Issued to Directors and employees of the Company pursuant to the conversion of 2,750,000 Performance Rights where performance criteria had been achieved	Nil cash consideration	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$715,000

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Date of Issue: 5 March 2019 Date of Appendix 3B: 5 March 2019	250,000	Unquoted Options ⁴	Ventnor Securities Pty Ltd	\$0.001 per Option (representing a 99.96% discount to Market Price of \$0.26)	Cash Amount raised: \$250 Amount spent: \$250 Use of funds: The working capital requirements of the Company.
Date of Issue: 5 March 2019 Date of Appendix 3B: 5 March 2019	800,000	Unquoted Options ³	Employees of the Company pursuant to the Incentive Option Plan	Nil cash consideration.	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$78,979
Date of Issue: 12 April 2019 Date of Appendix 3B: 12 April 2019	1,666,667	Shares ²	ACAM	\$0.60 per Share (representing a premium of 93.5% to the Market Price of \$0.31)	Cash Amount raised: \$1,000,000 Amount spent: \$1,000,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 4 June 2019 Date of Appendix 3B: 4 June 2019	833,333	Shares ²	ACAM	\$0.60 per Share (representing a premium of 16.5% to the Market Price of \$0.515)	Cash Amount raised: \$500,000 Amount spent: \$500,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 17 June 2019 Date of Appendix 3B: 17 June 2019	833,333	Shares ²	ACAM	\$0.60 per Share (representing a premium of \$39.5% to the Market Price of \$0.43)	Cash Amount raised: \$500,000 Amount spent: \$500,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 2 July 2019 Date of Appendix 3B: 2 July 2019	6,000,000	Shares ²	Issued to Directors and employees of the Company pursuant to the conversion of 6,000,000 Performance Rights where performance criteria had been achieved	Nil cash consideration	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$1,560,000

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Date of Issue: 15 July 2019 Date of Appendix 3B: 15 July 2019	230,769	Shares ²	Issued on the cashless exercise of 1,000,000 Options.	Nil cash consideration.	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$60,000
Date of Issue: 2 August 2019 Date of Appendix 3B: 2 August 2019	833,333	Shares ²	ACAM	\$0.60 per Share (representing a premium of 106.9% to the Market Price of \$0.29)	Cash Amount raised: \$500,000 Amount spent: \$500,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 11 September 2019 Date of Appendix 3B: 16 September 2019	1,000,000	Shares ²	Issued to Directors and employees of the Company pursuant to the conversion of 1,000,000 Performance Rights where performance criteria had been achieved	Nil cash consideration	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$260,000
Date of Issue: 20 September 2019 Date of Appendix 3B: 20 September 2019	833,333	Shares ²	ACAM	\$0.60 per Share (representing a premium of 140% to the Market Price of \$0.25)	Cash Amount raised: \$500,000 Amount spent: \$500,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company.
Date of Issue: 25 September 2019 Date of Appendix 3B: 25 September 2019	500,000	Shares ²	Issued to Red Leaf Securities Pty Ltd on the exercise of 500,000 unlisted options	\$0.10 per Share (representing a discount to Market Price of 66.10%)	Cash Amount raised: \$50,000 Use of funds: For continued development and marketing of the application technology and for the working capital requirements of the Company
Date of Issue: 8 October 2019 Date of Appendix 3B: 13 September 2019	50,000	Performance Rights ⁶	Employees of the Company pursuant to the Incentive Performance Rights Plan	Nil cash consideration	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$9,100

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Date of Issue: 7 October 2019 Date of Appendix 3B: 8 October 2019	50,000	Shares ²	Performance Rights holders	Nil cash consideration – Shares issued on conversion of 50,000 Performance Rights	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value ⁷ = \$14,250

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: MYQ (terms are set out in the Constitution).
3. Unquoted Options issued under the Company's Incentive Option Plan approved at the 25 October 2016 annual general meeting.
4. Unquoted Options exercisable at \$0.10 each before 31 December 2020.
5. Convertible notes with a face value of \$1.00 per note. Full terms and conditions disclosed in announcements dated 30 August and 28 September 2018.
6. Rights issued under the Company's Incentive Performance Rights Plan, subject to certain performance criteria being met, with an expiry date of 31 December 2020.
7. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.26) as the context requires on the ASX on 8 October 2019. In respect of unquoted Equity Securities the value of Options or Performance Rights is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date (being 8 October 2019, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 4 – ASX WAIVER

1. Based solely on the information provided, ASX Limited ('**ASX**') grants MyFiziq Limited (the '**Company**') a waiver from listing rule 10.13.3 to the extent necessary to permit the Company's notice of 2019 annual general meeting ('**Notice**') to approve the issue of up to 1,000,000 fully paid ordinary shares ('**Shares**') to Mr Nicholas Prosser (or his respective nominee) ('**Director**') as part of his agreed remuneration ('**Remuneration Shares**') not to state that the Remuneration Shares will be issued no later than one month after the date of general meeting, subject to the following conditions.
 - 1.1. The Remuneration Shares are issued no later than 31 May 2020.
 - 1.2. The Company's annual report for any period during which the Remuneration Shares are issued to the Director, discloses details of the number of Remuneration Shares that were issued to them, including the percentage of the Company's issued capital represented by those Remuneration Shares.
 - 1.3. The Notice includes details of the dilution that will occur to existing shareholders of the Company as a result of the issue of the Remuneration Shares.
 - 1.4. The terms of the waiver are included in the Notice.
2. ASX has considered Listing Rule 10.13.3 only and makes no statement as to the Company's compliance with other Listing Rules.

SCHEDULE 5 – SUMMARY OF THE EMPLOYEE SHARE OPTION PLAN

1. GENERAL

- 1.1 No Option may be offered, granted or exercised and no Share may be issued under the Plan if to do so would contravene the Corporations Act, the ASX Listing Rules or any other applicable law, or would contravene the local laws or customs of an Eligible Participant's country of residence.
- 1.2 Each Option will entitle the holder to subscribe for and be allotted one Share.
- 1.3 Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- 1.4 The option exercise price will be determined by the Board but will not be less than any minimum price specified in the ASX Listing Rules.
- 1.5 The Option may be made subject to vesting conditions as determined by the Board.
- 1.6 An offer for Options is personal and is not assignable, although a participant may nominate a nominee which the Board can accept at its discretion.
- 1.7 An Eligible Participant (or permitted Nominee) may accept an offer in whole or in part.
- 1.8 A certificate or holder statement will be issued for the options.

2. VESTING AND EXERCISE OF OPTIONS

- 2.1 Subject to Rules 2.2 and 2.3, an Option granted under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Option have been satisfied.
- 2.2 The Board may resolve to waive any of the Vesting Conditions applying to Options due to:
 - (a) Special Circumstances arising in relation to a Participant (or nominee) in respect of those Options;
 - (b) a Change of Control occurring (Rule 5);
 - (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,in which case Rule 2.3 applies.
- 2.3 A Participant may exercise any vested Option at any time after the Board notifies that the Option has vested and before it lapses by providing the Company with:
 - (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;;

- (b) a notice stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
- (c) subject to Rule 2.4, payment to the Company in cleared funds an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised.

2.4 In lieu of paying the aggregate Exercise Price to purchase Shares under clause 2.3(c), the Participant may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a Cashless Exercise):

$$A = \frac{B(C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this clause 2.4;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;

C = the market value of one Share determined as of the date of delivery to the Company Secretary of the items referred to in Rules 2.3(a) and (b) , and

D = the Exercise Price.

For example, if a Participant holds 50 Options (which have vested and are therefore capable of exercise), each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being $50(\$1.50 - \$1.00)/\$1.50 = 16.67$, rounded down to 16 Shares).

2.5 Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

3. ISSUE OF SHARES

3.1 If the items specified in Rule 2.3 are delivered in accordance with that Rule, the Company will, subject to the Corporations Act, the ASX Listing Rules, this Plan and any applicable Offer:

- (a) within 10 Business Days of delivery of the documents issue to the Participant the Shares credited as being fully paid, together with any additional Shares an entitlement to which has arisen under Rule 6 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 2.3 and deliver to the Participant a replacement certificate reflecting the number of those Options which remain unexercised.

- 3.2 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 3.3 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the shares of the same class are quoted on the ASX at the time.
- 3.4 Subject to Rule 3.5, there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal of the Shares would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- 3.5 The Board may determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued on exercise of Options (Restricted Shares), up to a maximum of seven (7) years from the Grant Date of the Options (Restriction Period). During the Restriction Period, the Participant must not dispose or deal with the Restricted Shares.

4. LAPSE OF OPTIONS

4.1 An Option will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Option occurring;
- (b) a Vesting Condition is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board, unless the Board exercises its discretion to waive the Vesting Condition;
- (c) in respect of unvested Options only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (i) exercises its discretion to vest the Option under a Vesting Condition Exception; or
 - (ii) resolves to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Option granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (d) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (e) the Board deems that the Participant becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act;
- (f) the Company undergoes a Change of Control or a winding up resolution or order is made; and
- (g) the Expiry Date of the Option.

5. CHANGE IN CONTROL EVENT

5.1 A Change in Control event occurs when:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves under the Corporations Act, a proposed compromise or arrangement for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board determines is sufficient to control the composition of the Board.

5.2 If a company obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Options that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.

6. PARTICIPATION RIGHTS

6.1 Participation rights are as follows:

- (a) Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (b) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (c) The Company will ensure that the record date will be at least six (6) Business Days after the issue is announced.
- (d) Until Options are exercised and the Participant holds Shares, a Participant who is not a Shareholder is not entitled to vote or attend a meeting of the Shareholders and is not entitled to receive any dividends declared.

6.2 If at any time the capital of the Company is reorganized, the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganization.

