

TERMS AND CONDITIONS OF CONVERTIBLE SECURITIES ON ISSUE

Listed Options (exercisable at \$0.20 on or before 31/12/15):

- (a) Each Option entitles the holder to one Share in the capital of the Company.
- (b) The Options are to be exercised by completing the Option exercise form and providing payment for the number of Shares in respect of which the Options are exercised, to the registered office of the Company.
- (c) The exercise price of the Options is \$0.20 each and the Options expire on 31 December 2015.
- (d) The Options are transferable.
- (e) All ordinary fully paid Shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of Options.
- (f) There are no participating rights and 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 their Options. However, the Company will ensure that optionholders will be allowed 10 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as Shareholders.
- (g) If any takeover bid (including by way of scheme of arrangement or otherwise) is publicly announced in respect of the Company, then the following provisions apply in relation to the takeover bid:
 - (i) the Company must promptly give written notice of the takeover bid to the optionholder whereupon all Options (which have not lapsed or expired), notwithstanding anything to the contrary, become exercisable at any time prior to the expiry of the later of:
 - (ii) 60 days after receiving such notice; and
 - (iii) the date that a takeover bid (which is recommended for acceptance by the board of directors of the Company) becomes unconditional,

("Takeover Exercise Period") or, if applicable, within the further 7 day period referred to below.
- (h) If, during the Takeover Exercise Period, the person making the takeover bid ("bidder") offers to grant options in the capital of the bidder ("Replacement Options") to the optionholder (and, for the avoidance of doubt, this does not obligate the Company in any way to procure such an offer from the bidder) in consideration for the cancellation or acquisition of the Options, the optionholder may, in their discretion, accept such Replacement Options instead of exercising their Options.
- (i) If no offer of Replacement Options is made during the Takeover Exercise Period and accepted, the optionholder has (other than in the case of a scheme of arrangement) a further 7 days' grace after the expiry of the Takeover Exercise Period within which to exercise their Options, whereupon unexercised Options will lapse. For the avoidance of doubt, in the case of a scheme of arrangement, the Options will lapse at the end of the Takeover Exercise Period.

(j) If the takeover bid lapses or is withdrawn or closes without being recommended for acceptance by the board of directors of the Company, whether the bid is conditional or unconditional, then the provisions of all the paragraphs hereof will revive in respect of any unexercised Options which Options will remain on foot.

(k) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date of the Options, the number of Options or the exercise price of the Options, or both, shall be reconstructed in accordance with the Listing Rules.

(l) Adjustment for bonus issues

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

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the optionholder would have received if the optionholder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the exercise price of the Options.

(m) Adjustment for pro rata issue

If the Company makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue or an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(n) Application will be made to ASX to have the Options quoted on the ASX.

Founder Performance Shares

- (a) **(Performance Shares)**: Each Founder Performance Share is a share in the capital of the Company.
- (b) **(General Meetings)**: The Founder Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No Voting Rights)**: The Founder Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights)**: The Founder Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up)**: Upon winding up of the Company, the Founder Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of Performance Shares)**: The Founder Performance Shares are not transferable.
- (g) **(Reorganisation of Capital)**: In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Application to ASX)**: The Founder Performance Shares will not be quoted on ASX. Upon conversion of the Founder Performance Shares into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues)**: Subject always to the rights under item (g) (Reorganisation of Capital), holders of Founder Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX)**: The terms of the Founder Performance Shares may be amended as necessary by the Company board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights)**: The Founder Performance Shares give the Holders 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 Founder Performance Shares

- (l) **(Milestones)**: The Founder Performance Shares will convert upon satisfaction of any one of the following milestones:

- (i) 50% of the Founder Performance Shares shall convert upon the "Medadvisor Platform" being activated at 2,500 pharmacies within a period of 2 years from the issue of the Founder Performance Shares; and
- (ii) 50% of the Founder Performance Shares shall convert upon the Company receiving annualised revenue from the MedAdvisor business (calculated over two consecutive calendar quarters) of no less than \$5,000,000, within a period of 3 years from the issue of the Founder Performance Shares,

(each referred to as a **Milestone**).

- (m) **(Conversion of Founder Performance Shares)**: In the event a Milestone is satisfied, all of the Founder Performance Shares held by the Holder will convert into an equal number of Shares.
- (n) **(No Conversion if Milestone not Achieved)**: Any Founder Performance Share not converted into a Share within the period required under the relevant Milestone will lapse.
- (o) **(After Conversion)**: The Shares issued on conversion of the Founder Performance Shares will, as and from 5.00pm (AEST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (p) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Founder Performance Shares into Shares.
- (q) **(Ranking of Shares)** The Shares into which the Founder Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

MMG Performance Shares

- (a) **(Performance Shares):** Each MMG Performance Share is a share in the capital of the Company.
- (b) **(General Meetings):** The MMG Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No Voting Rights):** The MMG Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The MMG Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up):** Upon winding up of the Company, the MMG Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of Performance Shares):** The MMG Performance Shares are not transferable.
- (g) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Application to ASX):** The MMG Performance Shares will not be quoted on ASX. Upon conversion of the MMG Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (g) (Reorganisation of Capital), holders of MMG Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX):** The terms of the MMG Performance Shares may be amended as necessary by the Company board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights):** The MMG Performance Shares give the Holders 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 MMG Performance Shares

- (l) **(Milestones):** The MMG Performance Shares will convert upon satisfaction of any one of the following milestones:
 - (i) 5,000,000 of the MMG Performance Shares will convert upon:

- (A) the Company completing the Pilot Study; and
 - (B) MedAdvisor raising at least \$750,000 by way of an issue of MedAdvisor Convertible Notes (which milestone is expected to be satisfied prior to Settlement);
 - (ii) 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$1,000,000 within a period of 2 years from the HMR Commencement Date;
 - (iii) 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$2,000,000 within a period of 2 years from the HMR Commencement Date;
 - (iv) 12,500,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$4,000,000 within a period of 2 years from the HMR Commencement Date; and
 - (v) 17,500,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$7,000,000 within a period of 2 years from the HMR Commencement Date;
- (each referred to as a **Milestone**).
- (m) **(Conversion of MMG Performance Shares)**: In the event a Milestone is satisfied, all of the MMG Performance Shares held by the Holder will convert into an equal number of Shares.
 - (n) **(No Conversion if Milestone not Achieved)**: Any MMG Performance Share not converted into a Share within the period ending on the earlier of:
 - (i) 3 years from the date of issue of the MMG Performance Shares; and
 - (ii) the period required under the relevant Milestone (if any),
 will lapse.
 - (o) **(After Conversion)**: The Shares issued on conversion of the MMG Performance Shares will, as and from 5.00pm (AEST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
 - (p) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the MMG Performance Shares into Shares.
 - (q) **(Ranking of Shares)** The Shares into which the MMG Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

Read Rights

- (a) **(Milestones):** The Read Rights shall have the following milestones attached to them:

(i) **Tranche 1 Read Rights**

- (A) 5,000,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$5,000,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (B) 5,000,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$6,500,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (C) 2,500,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$8,000,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (D) 5,000,000 Read Rights shall convert into Shares upon the Company logging 500,000 active patients to the MedAdvisor platform;
- (E) 5,000,000 Read Rights shall convert into Shares upon the Company logging 750,000 active patients to the MedAdvisor platform;
- (F) 2,500,000 Read Rights shall convert into Shares upon the Company logging 1,000,000 active patients to the MedAdvisor platform;
- (G) 5,000,000 Read Rights shall convert into Shares upon the Company logging 2,500 active general practitioners to the MedAdvisor platform;
- (H) 5,000,000 Read Rights shall convert into Shares upon the Company logging 3,750 active general practitioners to the MedAdvisor platform;
- (I) 2,500,000 Read Rights shall convert into Shares upon the Company logging 5,000 active general practitioners to the MedAdvisor platform; and

(ii) **Tranche 2 Read Rights**

5,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed by the Company for the following periods:

- (A) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 6 months;
- (B) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 18 months;
- (C) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 36 months;
- (I) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 48 months; and
- (D) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 60 months,

(Milestones).

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting):** The relevant Read Rights shall vest on the date that the Milestone relating to that Read Right has been satisfied, provided that if a change in control occurs in relation to the Company, the Read Rights shall vest automatically regardless of whether the relevant Milestone has been achieved.
- (d) **(Consideration):** The Read Rights will be issued as consideration for Mr Read's employment as Managing Director of the Company, and no consideration will be payable upon the vesting of the Read Rights.
- (e) **(Conversion):** Upon the relevant Read Rights vesting, each Read Right will, at the election of the holder, vest and convert into one Share.
- (f) **(Lapse of a Read Right):** If the Milestone attaching to a Read Right has not been satisfied in the time periods set out below, it will automatically lapse:
 - (i) **Tranche 1 Read Rights:**
the earlier of:
 - (A) 36 months from the commencement of Mr Read's employment by the Company (**Commencement Date**); and
 - (B) the date that Mr Read ceases to be employed by the Company; and
 - (ii) **Tranche 2 Read Rights:** upon Mr Read ceasing to be employed by the Company.
- (g) **(Share ranking):** All Shares issued upon the vesting of Read Rights will upon issue rank pari passu in all respects with other Shares.

- (h) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Read Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Read Rights on ASX within the period required by ASX.
- (i) **(Transfer of Read Rights):** A Read Right is not transferable (including encumbering the Read Rights) except with the prior written consent of the board of the Company.
- (j) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Read Rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Read Rights.
- (k) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Read Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (l) **(Dividend and Voting Rights):** A Read Right does not confer upon the holder an entitlement to vote or receive dividends

Unlisted 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 of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 3 years from the date they are issued (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **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.

(f) **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**).

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

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

- (i) allot and 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.

- (iv) If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(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) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

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