



Proteomics International

LABORATORIES LTD

ASX Release

20 July 2021

ASX code: PIQ

Issue of Equity Incentives to Key Management Personnel

Proteomics International Laboratories Ltd (Proteomics International; ASX: PIQ) advises that 450,000 options and 296,643 performance rights have been issued to key management personnel of the Company.

The options were issued under the Employee Incentive Options Plan and the performance rights were issued under the Performance Rights Plan as part of the short-term and long-term incentive structures of the Chief Commercialisation Officer, Vik Malik and Chief Financial Officer, Jacqueline Gray.

The terms and conditions of the performance rights and options follow this announcement. An Appendix 3G notice will be lodged separately.

Authorised by the Board Proteomics International Laboratories Ltd (ASX:PIQ).

ENDS

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Terms and Conditions of Performance Rights

- a) **(Performance Rights):** The following Performance Rights were issued pursuant to the Employment Contracts of the key management personnel:

Class of Performance Rights	Number Issued to V Malik, Chief Commercialisation Officer	Number Issued to J Gray, Chief Financial Officer
Tranche 1 Performance Rights	11,774	11,521
Tranche 2 Performance Rights	11,774	11,574
Milestone A Performance Rights	50,000	Nil
Milestone B Performance Rights	50,000	Nil
Milestone C Performance Rights	100,000	50,000

- b) **(Vesting Conditions):** The Performance Rights will vest upon satisfaction of the following milestones:
- (i) Tranche 1 Performance Rights: subject to continuous service under the Employment Contract, the Tranche 1 Performance Rights will vest on 1 July 2022;
 - (ii) Tranche 2 Performance Rights: subject to continuous service under the Employment Contract, the Tranche 2 Performance Rights will vest on 1 July 2023;
 - (iii) Milestone A Performance Rights: receipt by the Company (including its subsidiaries) of payment for a specified number of PromarkerD patient tests billed in the USA;
 - (iv) Milestone B Performance Rights: the receipt by the Company (including its subsidiaries) of payment for a specified number of PromarkerD patient tests billed for any country, excluding the USA; and
 - (v) Milestone C Performance Rights: the Company (including its subsidiaries) achieving an annual net profit target set by the Board and independently verified by the Company's auditors,
- (together, the **Vesting Conditions**).
- c) **(Conversion):** Subject to paragraph (g), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) fully paid ordinary share (**Share**).
- d) **(Expiry):** Each of the Performance Rights will lapse on the following dates:
- (i) Tranche 1, Tranche 2, Milestone A Performance Rights and Milestone B Performance Rights: within 3 years of commencement of the Employment Contract; and
 - (ii) Milestone C Performance Rights: within 1 month of reporting annual audited accounts after 3 full financial years of commencement of the Employment Contract,
- (respectively the **Relevant Expiry Dates**).
- Any Performance Right not vested before the Relevant Expiry Date shall automatically lapse on the Relevant Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.
- e) **(Notification to holder):** The Company shall notify the holder in writing when the Vesting Condition has been satisfied.
- f) **(Change in control):** Subject to paragraph (g), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - a. having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - b. having been declared unconditional by the bidder.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Vesting Condition, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

- g) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right under paragraph (c) or (f) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (g)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- h) **(Automatic Lapse):** In the event the holder ceases to be employed by the Company, or their engagement with the Company is discontinued, all Performance Rights shall automatically lapse unless the holder ceases to be employed or engaged as a result of being removed from office by the Company other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.
- i) **(Nil Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting or conversion of the Performance Rights into Shares.
- j) **(Quotation):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued on conversion of Performance Rights on ASX within 5 Business Days after the date of issue of those Shares.
- k) **(Timing of Shares on Conversion):** Within 5 business days after the date that the Performance Rights are converted, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
 - (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 conversion of the Performance Rights.

If a notice delivered under (k)(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

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the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- l) **(Pari Passu)**: All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- m) **(Holding Statements)**: The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following conversion of the Performance Rights into Shares.
- n) **(Non-transferable)**: The Performance Rights are not transferable.
- o) **(Bonus Issue)**: If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- p) **(Re-organisation)**: In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- q) **(No Participation Rights)**: A Performance Right does not entitle a holder (in their 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 without exercising the Performance Right..
- r) **(Voting and Dividends)**: A Performance Right does not confer the right to vote or receive dividends.
- s) **(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.
- t) **(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.
- u) **(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.
- v) **(Plan)**: The terms of the Performance Rights are supplemented by the terms of the Company's Performance Rights Plan.

Terms and Conditions of Employee Options – Vik Malik, Chief Commercialisation Officer

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

a) *Exercise Price*

The exercise price per Option is \$1.44.

b) *Entitlement*

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *Option Period*

The Options will expire at 5:00pm AWST on 01 June 2024 (**Expiry Date**). Subject to clause (d), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.

d) *Vesting*

The Options may be exercised by the Optionholder once vested as follows:

Tranche	Vesting Date	Number of Options
Tranche 1	1 June 2022	100,000
Tranche 2	1 June 2023	100,000
Tranche 3	1 June 2024	100,000

e) *Ranking of Share Allotted on Exercise of Option*

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

f) *Voting*

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

g) *Transfer of an Option*

The Options are not transferrable.

h) *Method of Exercise of an Option*

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

(ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed.

- (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
 - (iv) Within 10 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - (v) The Company will within 10 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
 - (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- i) *ASX Quotation*
- Application for quotation of the Options on the ASX will not be made.
- j) *Reconstruction*
- In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- k) *Participation in New Share Issues*
- There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- l) *No Change of Options' Exercise Price or Number of Underlying Shares*
- There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

Terms and Conditions of Employee Options – Jacqueline Gray, Chief Financial Officer

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

a) *Exercise Price*

The exercise price per Option is \$1.16.

b) *Entitlement*

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *Option Period*

The Options will expire at 5:00pm AWST on 12 July 2024 (**Expiry Date**). Subject to clause (d), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.

d) *Vesting*

The Options may be exercised by the Optionholder once vested as follows:

Tranche	Vesting Date	Number of Options
Tranche 1	12 July 2022	50,000
Tranche 2	12 July 2023	50,000
Tranche 3	12 July 2024	50,000

e) *Ranking of Share Allotted on Exercise of Option*

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

f) *Voting*

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

g) *Transfer of an Option*

The Options are not transferrable.

h) *Method of Exercise of an Option*

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed.
 - (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
 - (iv) Within 10 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - (v) The Company will within 10 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
 - (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
- i) *ASX Quotation*
- Application for quotation of the Options on the ASX will not be made.
- j) *Reconstruction*
- In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- k) *Participation in New Share Issues*
- There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- l) *No Change of Options' Exercise Price or Number of Underlying Shares*
- There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.