



Proteomics International

LABORATORIES LTD

19 October 2022

The Manager
Market Announcements Office
Australian Securities Exchange

Dear Manager,

NOTICE OF ANNUAL GENERAL MEETING

The following documents were sent to shareholders today in relation to the Annual General Meeting of Proteomics International Laboratories Ltd (ASX:PIQ) to be held on Thursday, 24 November 2022 at 9:30 am (AWST):

1. Letter to Shareholders regarding the Notice of Meeting
2. Notice of Meeting
3. Proxy Form.

This announcement was authorised to be given to ASX by Dr Richard Lipscombe (Managing Director) and Mr Neville Gardiner (Non-Executive Chairman) on behalf of the Board of Proteomics International Laboratories Ltd.

Yours faithfully,

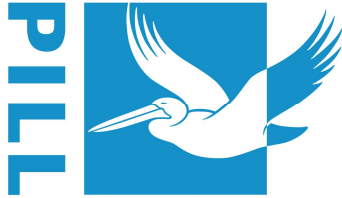
Karen Logan
Company Secretary

Proteomics International Laboratories Ltd

ABN 78 169 979 971

Box 3008, Broadway, Nedlands, WA 6009, Australia

T: +61 8 9389 1992 | E: enquiries@proteomicsinternational.com | W: www.proteomicsinternational.com



Proteomics International

LABORATORIES LTD

19 October 2022

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING

Proteomics International Laboratories Ltd (ASX:PIQ) (**Proteomics** or the **Company**) is convening its Annual General Meeting on Thursday, 24 November 2022 at 9:30 am (AWST).

In accordance with section 110D of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting to Shareholders unless they have made a valid election to receive documents by hard copy. Instead, the Notice of Meeting and Annual Report can be viewed and downloaded from the Company's website at: www.proteomics.com.au/investors/annual-general-meeting/.

A copy of your personalised Proxy Form is enclosed for your convenience.

In order to receive shareholder communications by email and make elections as to receipt of documents from the Company in the future, please log on to the registry portal <https://investor.automic.com.au/#/home> and update your 'Communication Preferences' under 'My Details'.

Once logged in, you can also lodge your proxy vote online. **The Company strongly encourages Shareholders to lodge a directed proxy vote online or by form in accordance with the instructions on the Proxy Form prior to the meeting.** Your proxy vote must be received by 9:30 am (AWST) on Tuesday, 22 November 2022. Any proxy vote received after that time will not be valid for the meeting.

The Notice of Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your professional advisers prior to voting. If you have questions about the Meeting and voting arrangements or have any difficulties obtaining the Notice of Meeting, please email the Company Secretary at enquiries@proteomicsinternational.com.

Yours faithfully,

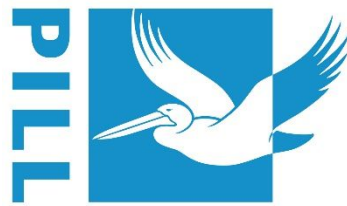
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Proteomics International

LABORATORIES LTD

ABN 78 169 979 971

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday, 24 November 2022

Time of Meeting

9:30 am (AWST)

Place of Meeting

Harry Perkins Institute
QEll Medical Centre QQ Block
6 Verdun Street, Nedlands, WA, 6009

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.

Should you have any questions regarding the matters in this document please do not hesitate to contact the Company by email at enquiries@proteomicsinternational.com

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**) is to be held on Thursday, 24 November 2022, at the Harry Perkins Institute, QEII Medical Centre QQ Block, 6 Verdun Street, Nedlands, WA, 6009, commencing at 9:30 am (AWST).

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

BUSINESS

Financial Statements and Other Reports – Year Ended 30 June 2022 (no resolution required)

To receive and consider the Company's Financial Report for the year ended 30 June 2022, together with the declaration of Directors, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2022.

Resolution 1 – Non-Binding Resolution to Adopt 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 to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2022."

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.

Resolution 2 – Re-election of Director – Robyn Elliott

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

"That Dr Elliott, being a director of the Company who, having been appointed on 16 November 2021, retires in accordance with Clause 13.4 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering herself for re-election, be re-elected as a director of the Company."

Resolution 3 – Re-election of Director – Neville Gardiner

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

"That Mr Gardiner, being a director of the Company who, having been appointed on 16 November 2021, retires in accordance with Clause 13.4 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company."

Resolution 4 – Re-election of Director – Mr Paul House

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

"That Mr House, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company."

Resolution 5 – Approval of Issue of Director C and D Options to Director – Dr Robyn Elliott

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 125,000 Director C Options and 125,000 Director D Options with the terms and conditions set out in Schedule 1 to Dr Elliott (or her nominee) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Elliott (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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) the proxy is either:
 - a. a member of the Key Management Personnel; or
 - b. a Closely Related Party of such a member.
- (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.

Resolution 6 – Approval of Issue of Director C and D Options to Director – Mr Neville Gardiner

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 250,000 Director C Options and 250,000 Director D Options with the terms and conditions set out in Schedule 1 to Mr Gardiner (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Gardiner (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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) the proxy is either:
 - a. a member of the Key Management Personnel; or

- b. a Closely Related Party of such a member.
 - (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.

Resolution 7 – Ratification of Prior Issue of Tranche 1 Placement Shares

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 9,117,647 Tranche 1 Placement Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the recipients of the Tranche 1 Placement Shares) or any associates of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8 – Approval to issue Tranche 2 Placement Shares to Mr Neville Gardiner

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 117,647 Tranche 2 Placement Shares to Neville Gardiner (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Neville Gardiner and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9 – Approval to issue Tranche 2 Placement Shares to Mr Paul House

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 117,647 Tranche 2 Placement Shares to Paul House (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Paul House and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 10 – Approval to issue Tranche 2 Placement Shares to Mr Roger Moore

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

“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 58,824 Tranche 2 Placement Shares to Roger Moore (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Roger Moore and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 11 – Adoption of Incentive Performance Rights 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 Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt a new employee incentive scheme titled ‘Incentive Performance Rights Plan’ and for the issue of 5,000,000 Performance Rights under that Plan under the scheme, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

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

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- 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.

Resolution 12 – 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.”

EXPLANATORY MEMORANDUM

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

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that members holding ordinary shares as set out in the Company’s share register at 4:00 pm (AWST) on Tuesday, 22 November 2022 will be entitled to attend and vote at the Annual General Meeting.

VOTING BY PROXY

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 9:30 am (AWST) on Tuesday, 22 November 2022.

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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

VOTING IN PERSON

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

The Company strongly encourages Shareholders to lodge a directed proxy vote online or by form in accordance with the instructions on the Proxy Form prior to the Meeting.

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but the Company and/ or representatives from Automatic Share Registry will need to verify your identity. You can register from 9:00 am (AWST) on the day of the Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

ATTORNEYS

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 9:30 am (AWST) on Tuesday, 22 November 2022. Previously lodged powers of attorney will be disregarded by the Company.

QUESTIONS

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting to the Company by email at enquiries@proteomicsinternational.com.

DATED THIS 19TH OF OCTOBER 2022
BY ORDER OF THE BOARD



Karen Logan
Company Secretary

EXPLANATORY MEMORANDUM

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

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

Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for PILL for the year ended 30 June 2022 (**Annual Report**) at the Meeting. These reports, together with the declaration of Directors, are set out in the Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the Annual Report with this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the Annual Report is available from the Company's website (https://www.proteomics.com.au/wp-content/uploads/PIQ-AR_2022.pdf).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report, which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1. Resolution 1 – Adoption of Remuneration Report

1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of PILL and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

1.2 Voting consequences

Under the Corporations Act, 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.

1.3 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.

1.4 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of the Resolution.

2. Resolution 3 – Re-election of Director – Dr Robyn Elliott

2.1 General

Listing Rule 14.4 and Clause 13.4 of the Constitution provide that, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Dr Elliott, who was appointed as an independent Non-Executive Director by the Board on 16 November 2021, retires in accordance with the Clause 14.4 of Company's Constitution and Listing Rule 14.4 and, being eligible, offers herself for election.

2.2 Qualifications and other directorships

Dr Elliott is Global Head, Strategic Portfolio Management within the Global Network Strategy team of CSL Behring, a subsidiary of CSL Limited (ASX:CSL). Her role is responsible for governance and business value delivery oversight for a multi billion dollar global capital expansion portfolio. She is also a non-executive director of PolyNovo Limited (ASX:PNV).

Dr Elliott's 9 years at CSL Behring have included Senior Director roles for Strategic Program Management, Strategic Expansion Projects and Quality, including supporting the global network strategy team determining the ten-year expansion plan for the CSL Behring global business. Prior to CSL Behring she was Managing Director at IDT Australia Ltd (ASX:IDT) and commenced her career at DBL Faulding. Dr Elliott has a proven track record in product development, clinical trials, regulatory affairs, audits, quality management, project management and operational strategy.

Dr Elliott holds a Doctor of Philosophy and a Bachelor of Science (Honours) from Monash University.

The Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's Corporate Governance Statement and considers that Dr Elliott possesses the required broad based skills to help drive the Company's performance.

2.3 Independence

The Board has considered Dr Elliott's independence and considers that she is an independent director.

2.4 Board Recommendation

The Board has reviewed Dr Elliott's performance since his appointment to the Board and considers that Dr Elliott's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Dr Elliott) supports the re-election of Dr Elliott and recommends Shareholders vote in favour of the Resolution.

2.5 Voting Intention

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

3. Resolution 2 – Re-election of Director – Mr Neville Gardiner

3.1 General

As described in section 2.1, Listing Rule 14.4 and Clause 13.4 of the Constitution provide that, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Gardiner, who was appointed as an independent Non-Executive Director by the Board on 16 November 2021, retires in accordance with the Clause 14.4 of Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for election. Mr Gardiner assumed the role of Chair-elect and was appointed to the position of Non-Executive Chairman on 25 November 2021, effective from the time of retirement of Mr Terry Sweet.

3.2 Qualifications and other directorships

Mr Gardiner was recently a Partner of Deloitte in its Mergers & Acquisitions Advisory team. He is a seasoned finance professional with over 30 years' experience advising Boards of public and private companies on mergers and acquisitions, project development, equity and debt capital markets, transaction structuring, capital allocation and complex commercial problem solving. Prior to Deloitte Mr Gardiner was Co-Founder and Managing Director of Torridon Partners, an independent corporate advisory firm. Torridon Partners was acquired by Deloitte in 2016. He is also a non-executive director of Galena Mining Limited (ASX:G1A).

Mr Gardiner has held leadership positions at Macquarie Bank, Bank of America Merrill Lynch and Arthur Andersen, and has broad industry sector exposure including healthtech, fin-tech, mining and mining services, infrastructure, energy, and fabrication and construction.

Mr Gardiner holds a Bachelor of Business (Accounting and Business Law) from Curtin University.

The Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's Corporate Governance Statement and considers that Mr Gardiner possesses the required broad based skills to help drive the Company's performance.

3.3 Independence

The Board has considered Mr Gardiner's independence and considers that he is an independent director.

3.4 Board Recommendation

The Board has reviewed Mr Gardiner's performance since his appointment to the Board and considers that Mr Gardiner's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Gardiner) supports the re-election of Mr Gardiner and recommends Shareholders vote in favour of the Resolution.

3.5 Voting Intention

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

4. Resolution 4 – Re-election of Director – Mr Paul House

4.1 General

ASX Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Mr House, who has served as a director since 22 November 2017, and was last re-elected on 26 November 2020, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

4.2 Qualifications and other directorships

Mr House has over 30 years' experience with multi-national corporations and is currently CEO of Imdex Limited (ASX:IMD). He previously served eight years as the Managing Director of SGS India, where he was responsible for a workforce of 4,500 personnel and 38 laboratories; SGS is the world's leading Testing, Inspection and Certification (TIC) company. Mr House has previously held CFO and COO roles and has a track record for delivery of business performance targets, revenue growth, margin improvement, market share and productivity, across multiple services, markets and borders. He is a Fellow of the Australian Institute of Management and a Graduate Member of Australian Institute of Company Directors.

4.3 Independence

The Board has considered Mr House's independence and considers that he is an independent director.

4.4 Board Recommendation

The Board has reviewed Mr House's performance since his appointment to the Board and considers that Mr House's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr House) supports the re-election of Mr House and recommends Shareholders vote in favour of the Resolution.

4.5 Voting Intention

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

5. Resolutions 5 and 6 – Approval of issue of Director Options to Directors

5.1 General

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 to issue a total of 750,000 Director Options to recently appointed non-executive directors, Dr Robyn Elliott and Mr Neville Gardiner (**Related Parties**) as follows:

Director	Number of Director C Options	Number of Director D Options	Total Number of Director Options
Dr Robyn Elliott	125,000	125,000	250,000
Mr Neville Gardiner	250,000	250,000	500,000
Total	375,000	375,000	750,000

The Board considers the grant of Director Options to the Related Parties is reasonable in the circumstances given the Company's size and stage of development, and that the incentives represented by the issue of the Director Options are a cost effective and efficient reward and incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation. It is also not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

Currently, the Company's Non-Executive Directors each receive director's fees of \$45,000 per annum and the Non-Executive Chairman receives director's fees of \$75,000 per annum. The remuneration that the Non-Executive Directors and Chairman receive for performing their duties as directors is slightly below the average remuneration levels for directors of companies with similar size to Proteomics. The grant of the Director Options is a cash free, effective and efficient way to provide Directors with an appropriate and market level of directors' remuneration.

An alternative to the issue of the Director Options would be to increase the Directors' cash remuneration. However, given the current stage of development of the Company, and the necessity for cash resources to be preserved and directed into the growth of the Company's business, the Board considers the issue of the Director Options to be an appropriate cash-free method of remunerating the Related Parties for their commitment and contribution to the Company.

It should be noted that the Director Options only deliver economic value to the Related Parties if the market price of Shares increases above the relevant exercise price, and only if the Director pays the necessary funds to the Company to convert the Director Options into Shares. In respect of the Director C Options, the Related Parties may benefit only once the market price of Share has increased 50% above the volume-weighted average market price of the Shares for the twenty (20) Trading Days immediately prior to the issue of Director C Options. For the Director D Options, the Directors' can benefit once the market price of Shares has increased 100% above the volume-weighted average market price of the Shares for the twenty (20) Trading Days immediately prior to the issue of Director D Options. Based on the trading history immediately prior to 31 August 2022, the exercise price of Director C Options would be \$1.43 and for Director D Options would be \$1.91. Refer to Section 5.6(e) for information on the amounts the Director Options may raise if exercised by the Related Parties.

The respective exercise prices of the Director Options have been set to align the interests of the Related Parties with all interests of the Company's Shareholders such that rewards are only obtained if the market price of the Shares increases.

The following information is provided to assist Shareholders in assessing Resolutions 5 and 6 for the purposes of ASX Listing Rule 10.11.

5.2 Chapter 2E

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in Sections 210 to 216); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit (in accordance with Sections 217 to 227).

The issue of Director Options constitutes giving a financial benefit and Dr Elliott and Mr Gardiner are related parties of the Company by virtue of being Directors.

The Directors of the Company (excluding Dr Elliott as she has a material personal interest in Resolution 5) consider that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act because the issue of Director Options the subject of Resolution 5 was reached as part of the remuneration package for Dr Elliott, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors of the Company (excluding Mr Gardiner as he has a material personal interest in Resolution 6) consider that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act because the issue of Director Options the subject of Resolution 6 was reached as part of the remuneration package for Mr Gardiner, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and has nominated a director to the board of the company pursuant to a relevant agreement that gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Director Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Proteomics's shareholders under Listing Rule 10.11.

Resolutions 5 and 6 seek the required shareholder approval for the issue of Director Options under and for the purposes of Listing Rule 10.11.

5.4 Material Terms of the Agreements

The material terms of the letters of appointment of the Related Parties (**Agreements**) are as follows:

Name:	Robyn Elliott	Neville Gardiner
Title:	Non-Executive Director	Non-Executive Chairman
Agreement commenced:	16 November 2021	16 November 2021
Term of agreement:	No fixed term – subject to periodic re-election at the AGM	No fixed term – subject to periodic re-election at the AGM
Base remuneration:	\$45,000 per annum, plus statutory superannuation entitlements	\$75,000 per annum, plus statutory superannuation entitlements
Equity incentive:	Subject to shareholder approval, issue of 125,000 Director C Options and 125,000 Director D Options	Subject to shareholder approval, issue of 250,000 Director C Options and 250,000 Director D Options
Termination:	None specified	None specified

The Agreements otherwise set out key terms and conditions of the appointment of directors, including duties, obligations, rights and responsibilities, the time commitment envisaged, confidentiality and other general provisions.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of Director Options and align the interests of the Related Parties with the interests of Shareholders.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of Director Options and then, the Company may need to consider some other form of commensurate compensation for the Related Parties, including increasing fees paid to these Related Parties.

Approval pursuant to Listing Rule 7.1 is not required in order to issue Director Options to the Related Parties (or their nominees) under Resolutions 5 and 6 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties (or their nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

5.6 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Director Options:

- (a) The Director Options will be issued to the Related Parties as follows:
- (i) Dr Robyn Elliott (or her nominee), pursuant to Resolution 5;
 - (ii) Mr Neville Gardiner (or his nominee), pursuant to Resolution 6,
- each of whom fall within the category set out in Listing Rule 10.11.1, by virtue of being a Director.

- (b) The maximum number of Director Options to be issued to the Related Parties is as follows:

Director	Number of Director C Options	Number of Director D Options	Total Number of Director Options
Dr Elliott (Resolution 5)	125,000	125,000	250,000
Mr Gardiner (Resolution 6)	250,000	250,000	500,000
Total	375,000	375,000	750,000

- (c) Each of the Director Options entitles the holder to subscribe for one Share at an exercise price which will be:
- (i) for each Director C Option, a 50% premium to the volume-weighted average market price for Shares for the twenty (20) Trading Days immediately prior to the issue of Director C Options and will expire three (3) years from the date of issue; and
 - (ii) for each Director D Option, a 100% premium to the volume-weighted average market price for Shares for the twenty (20) Trading Days immediately prior to the issue of Director D Options and will expire four (4) years from the date of issue.

Refer to Schedule 4 for the entire terms and conditions of the Director Options. The Shares issued on exercise of the Director Options will rank equally with the Company's existing Shares then on issue.

- (d) The Company will issue the Director Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- (e) The Director Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Director Options will raise funds if they are exercised by the Related Parties (or their nominees). Assuming an exercise price of \$1.43 for the Director C Options and \$1.91 for the Director D Options (calculated based on the volume-weighted average market price for Shares for the twenty (20) Trading Days immediately prior to 31 August 2022), the Director Options may raise funds if they are exercised by the Directors as follows:

Director	Amount raised if Director C Options are exercised	Amount raised if Director D Options are exercised	Amount raised if All Director Options are exercised
Dr Elliott (Resolution 5)	\$178,750	\$238,750	\$417,500
Mr Gardiner (Resolution 6)	\$357,500	\$477,500	\$835,000
	\$536,250	\$716,250	\$1,252,500

No decision has been made on how funds raised from the exercise of Director Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.

- (f) The primary purpose of the issue of the Director Options to the Related Parties (or their respective nominees) is to:
- (i) provide a cash-free, effective and efficient method of remunerating the Related Parties for their commitment and contribution to the Company; and
 - (ii) align the interests of the Related Parties with the interests of Shareholders.
- (g) The total remuneration package of each the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

	Proposed in Current Financial Year 2023		Financial Year 2022	
	Salary and Fees \$	Options ^{2,3} \$	Salary and Fees \$	Options ^{2,3} \$
Director				
Dr Robyn Elliott ¹	45,000	40,278	30,938	62,197
Mr Neville Gardiner ¹	75,000	80,558	51,562	124,392

Notes:

1. Appointed as a non-executive director of the Company on 16 November 2021.
2. Assumes Resolutions 5 and 6 are passed and the Director Options are issued to the Related Parties.
3. Notwithstanding the fact that the Director Options have not yet been issued, under the accounting standards the Director Options proposed to be issued to the Related Parties have been allocated to the share-based payments expense in the statement of profit or loss and other comprehensive income in the Annual Report and recognised as remuneration for Dr Elliott and Mr Gardiner effective from their dates of appointment.

The Simple European Call Option Model has been used to value the Director Options, with the following assumptions:

- (i) the risk-free rate of interest of 3.29% for Director C and Director D Options is the Australian Government 3 year bond rate;
- (ii) the underlying security spot price of \$0.93 used for the purposes of this valuation is based on the Share price of the Company as at 30 June 2022;
- (iii) the estimated volatility used in the valuation is 75%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Director Options will be issued on 30 June 2022.

Based on the above, the total of the fair value of the Director Options at 30 June 2022 is as follows:

Director	Fair Value of Director C Options	Fair Value of Director D Options	Total Fair Value of Director Options
Dr Robyn Elliott (Resolution 5)	\$50,688	\$51,788	\$102,475
Mr Neville Gardiner (Resolution 6)	\$101,375	\$103,575	\$204,950
Total	\$152,063	\$155,363	\$307,425

- (h) A summary of the material terms of Dr Elliott's letter of appointment as a Non-Executive Director and Mr Gardiner's letter of appointment as Non-Executive Chairman are set out in Section 5.4 above
- (i) A voting exclusion statement has been included for each Resolution.

5.7 Board Recommendation

Dr Elliott and Mr Gardiner decline to make a recommendation to Shareholders in relation to Resolutions 5 and 6 due to their material personal interest in the outcome of those Resolutions on the basis that Dr Elliott and Mr Gardiner are to be granted Director Options in the Company should Resolutions 5 and 6 be passed. In respect of Resolutions 5 and 6, the Directors (other than Dr Elliott and Mr Gardiner) recommend that Shareholders vote in favour of those Resolutions for the following reasons:

- (a) the grant of Director Options to the Related Parties, will align the interests of the Related Parties with those of Shareholders;
- (b) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its

operations than it would if alternative cash forms of remuneration were given to the Related Parties; and

- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.

5.8 Voting Intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolutions 5 and 6.

6. Background to Placement

6.1 General

On 15 August 2022, the Company announced that it had agreed to undertake a placement to Australian-based institutions, sophisticated and professional investors, of 9,411,765 Shares at an issue price of \$0.85 per Share (**Placement Shares**) raising \$8,000,000 before costs (**Placement**), of which:

- 9,117,647 Placement Shares were issued on 22 August 2022 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is being sought under Resolution 7) (**Tranche 1 Placement Shares**); and
- 294,118 Placement Shares are proposed to be issued to certain Directors on the same terms as other non-related party participants (approval of which is being sought under Resolutions 8, 9 and 10) (**Tranche 2 Placement Shares**).

Morgans Corporate Limited acted as Lead Manager to the Placement, Euroz Hartleys Securities Limited acted as Co-Manager, and Candour Advisory acted as Corporate Advisor to the Placement.

6.2 Use of Funds

Funds from the Placement will be used for:

- Inventory build for the PromarkerD predictive test for diabetic kidney disease;
- Implement US sales and marketing for PromarkerD;
- Development of the Promarker™ diagnostics pipeline;
- Costs of the Placement; and
- General working capital.

7. Resolution 7 – Ratification of Prior Issue of Tranche 1 Placement Shares

7.1 General

As noted in Section 6.1, Resolution 7 seeks Shareholder ratification for the issue of Tranche 1 Placement Shares pursuant to Listing Rule 7.4, and on the terms set out below.

7.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

The issue of Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

7.3 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Tranche 1 Placement Shares.

If Resolution 7 are not passed, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Tranche 1 Placement Shares.

7.4 Technical information required by Listing Rule 7.5

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Tranche 1 Placement Shares were issued to Australian-based institutions, sophisticated and professional investors who were identified and selected by Morgans acting as Lead Manager to the Placement, Euroz Hartleys acting as Co-Manager, and Candour Advisory acting as Corporate Advisor to the Placement;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Tranche 1 Placement Shares were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 9,117,647 Tranche 1 Placement Shares were issued under the placement capacity available to the Company under Listing Rule 7.1;
- (d) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) the Tranche 1 Placement Shares were issued on 22 August 2022;
- (f) the issue price was \$0.85 per Tranche 1 Placement Share;
- (g) the purpose of the issue of the Tranche 1 Placement Shares was to raise capital and the use of funds raised from this issue is set out in Section 6.2;
- (h) the Tranche 1 Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement has been included for this Resolution.

7.5 Board recommendation

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

7.6 Voting Intention

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

8. Resolutions 8 to 10 – Approval to issue Tranche 2 Placement Shares to Directors

8.1 General

As noted in Section 6.1, certain Directors of the Company wish to participate in the Placement on the same terms as non-related party participants. Further details of the Placement are set out in Section 6.

8.2 Material Terms of the Subscription Agreements

On 19 August 2022, the Company entered into subscription agreements with each of Messrs Gardiner, House and Moore in respect of the Tranche 2 Placement Shares (**Subscription Agreements**).

Under the terms of the Subscription Agreements, subject to receipt of all necessary regulatory and shareholder approvals, the following Directors (and/ or their respective nominees) will be issued an aggregate of 294,118 Tranche 2 Placement Shares at an issue price of \$0.85 per Share raising a total of \$250,000 before costs, as follows:

- 117,647 Tranche 2 Placement Shares to Neville Gardiner (the subject of Resolution 8);
- 117,647 Tranche 2 Placement Shares to Paul House (the subject of Resolution 9); and
- 58,824 Tranche 2 Placement Shares to Roger Moore (the subject of Resolution 10),

(together, the **Participating Directors**).

The Subscription Agreements contain provision considered standard for agreement of their nature (including representations and warranties and confidentiality provisions).

8.3 Chapter 2E of the Corporations Act

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 passing of Resolutions 8 to 10 will result in the issue of Tranche 2 Placement Shares which constitutes the giving of a financial benefit and the Participating Directors are a related parties of the Company by virtue of each of Messrs Gardiner, House and Moore being directors of the Company.

The Directors (other than Messrs Gardiner, House and Moore who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche 2 Placement Shares because the Tranche 2 Placement Shares will be issued to Participating Directors (and/ or their respective nominees) on the same terms as Shares issued to non-related party participants in the Placement. As such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

8.4 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Tranche 2 Placement Shares to Participating Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12 and therefore requires the approval of Shareholders under Listing Rule 10.11.

8.5 Technical information required by Listing Rule 14.1A

If Resolutions 8 to 10 are passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares to the Participating Directors within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Tranche 2 Placement Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Tranche 2 Placement Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 8 to 10 are not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and the Company will not raise \$250,000 in cash.

8.6 Technical information required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13 in relation to Resolutions 8 to 10:

- (a) the Tranche 2 Placement Shares will be issued to the Participating Directors (and/ or their respective nominees) as follows:
 - (i) 117,647 Tranche 2 Placement Shares to Neville Gardiner (the subject of Resolution 8);
 - (ii) 117,647 Tranche 2 Placement Shares to Paul House (the subject of Resolution 9); and
 - (iii) 58,824 Tranche 2 Placement Shares to Roger Moore (the subject of Resolution 10);
- (b) the issue of Tranche 2 Placement Shares to the Participating Directors falls under Listing Rule 10.11.1 by virtue of each of Messrs Gardiner, House and Moore being a director of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued to the Participating Directors (and/ or their respective nominees) is 294,118 Shares;
- (d) the Tranche 2 Placement Shares will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) the Tranche 2 Placement Shares will be issued 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 Listing Rules) and it is intended that issue of the securities will occur on the same date;
- (f) the issue price per Tranche 2 Placement Shares will be \$0.85 per Share, being the same issue price as all other Shares issued by the Company under the Placement;
- (g) the purpose of the issue of the Tranche 2 Placement Shares is to raise capital and the use of funds raised from this issue is set out in Section 6.2;
- (h) the issue of Tranche 2 Placement Shares to the Participating Directors is not intended to remunerate or incentivise the Participating Directors;
- (i) the Tranche 2 Placement Shares were issued under Subscription Agreements. A summary of the material terms of the Subscription Agreements is set out in Section 8.2 above;
- (j) voting exclusion statements have been included for these Resolutions.

8.7 Board recommendation

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

8.8 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolutions.

9. Resolution 11 – Adoption of Incentive Performance Rights Plan

9.1 General

Resolution 11 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (**Performance Rights Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

With effect from 1 October 2022, a new employee share scheme (**ESS**) regime under the Corporations Act (**New Regime**) will be introduced to replace and expand the current level of relief provided by ASIC CO 14/1000 Class Order. The purpose of the New Regime is to make it easier for companies to access regulatory relief from the Corporations Act provisions in respect of licencing, advertising and hawking and the design and distribution obligations with a streamlined set of disclosure requirements applying to the ESS.

The Company received approval to adopt its current incentive performance rights plan (**Current Plan**) at the annual general meeting held on 26 November 2021. In light of the changes under the New Regime, the Company proposes to adopt the new Performance Rights Plan to ensure compliance with and to take advantage of the benefits under the New Regime. The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

9.2 Listing Rule 7.1 and Listing Rule 7.2 (Exception 13(b))

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 11 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Performance Rights Plan (up to the maximum number of Performance Rights stated in Section 1.1.1(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 11 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

9.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 11:

- (a) a summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 2;
- (b) the Company has not issued any Performance Rights under the Performance Rights Plan as this is the first time that Shareholder approval is being sought for the adoption of the Performance Rights Plan, however, the Company has issued a total of 439,977 Performance Rights under the Current Plan since it was approved by Shareholders at the annual general meeting on 26 November 2021; and
- (c) the maximum number of Securities proposed to be issued under the Performance Rights Plan, following Shareholder approval, is 5,000,000 Performance Rights. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

10. Resolution 12 – Replacement of Constitution

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

Resolution 12 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 Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 15 July 2014.

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

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.proteomicsinternational.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 by email at enquiries@proteomicsinternational.com. Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, 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 permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage securityholdings which represent an "unmarketable parcel" of securities, being a securityholding that is less than \$500 based on the closing price of the Company's securities 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 securityholding 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.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

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.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

DEFINITIONS

\$ means an Australian dollar.

Annual General Meeting means the annual general meeting the subject of this Notice.

Annual Report has the same meaning as Financial Report.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

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

Auditor means the Company's auditor from time to time, at the date of the Notice, being BDO Audit (WA) Pty Ltd.

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

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

Board means the board of directors of the Company.

Chair (or Chairperson) means the person appointed to chair the Meeting convened by this Notice.

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).

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

Constitution means the Company's constitution.

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

Current Plan has the meaning given to that term in Section 9.1.

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

ESS has the meaning given to that term in Section 9.1.

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

Financial Report means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

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.

Listing Rules means the official listing rules of the ASX.

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

New Regime has the meaning given to that term in Section 9.1.

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

Option means an option to acquire a Share.

Performance Rights Plan has the meaning given to that term in Section 9.1.

Placement has the meaning given to that term in Section 6.1.

Proxy Form means the proxy form attached to the Notice.

Proposed Constitution has the meaning given to that term in Section 10.1.

Remuneration Report means the remuneration report as contained in the Directors' report section of the Company's annual financial report.

Resolution means a resolution in the Notice.

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

Shareholder means a shareholder of the Company.

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

Tranche 1 Placement Shares has the meaning given to that term in Section 6.1.

Tranche 2 Placement Shares has the meaning given to that term in Section 6.1.

SCHEDULE 1

Terms and Conditions of Director Options

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

- (a) Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
- (b) The exercise price means:
 - (i) for each Director C Option, a 50% premium to the volume-weighted average market price for Shares for the twenty (20) Trading Days immediately prior to the issue of Director C Options;
 - (ii) for each Director D Option, a 100% premium to the volume-weighted average market price for Shares for the twenty (20) Trading Days immediately prior to the issue of Director D Options.
- (c) The Options will expire at 5:00pm AWST on the date that is:
 - (i) for each Director C Option, three years after the date of grant of the Options; and
 - (ii) for each Director D Option, four years after the date of grant of the Options (**Expiry Date**).

Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.
- (d) Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of issue.
- (e) A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
- (f) The Options are not transferrable.
- (g) Exercise of options
 - (a) 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.
 - (b) 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**).
 - (c) Within five 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 (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) Application for quotation of the Options on the ASX will not be made.
- (i) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) There are no participation rights or entitlements inherent in the Options and Option 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.
- (k) 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.

SCHEDULE 2

TERMS AND CONDITIONS OF PROPOSED INCENTIVE PERFORMANCE RIGHTS PLAN

A summary of the material terms of the Company's Incentive Performance Rights Plan (**Plan**) is set out below:

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of performance rights (Performance Rights).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Performance Rights provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Performance Rights the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Performance Rights	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Performance Rights, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Performance Rights	<p>Prior to an Performance Right being converted, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right other than as expressly set out in the Plan; (a) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (b) is not entitled to receive any dividends declared by the Company; and (c) is not entitled to participate in any new issue of Shares (see Adjustment of Performance Rights section below).
Vesting of Performance Rights	Any vesting conditions applicable to the Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Performance Rights have vested. Unless and until the vesting notice is issued by the Company, the Performance Rights will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Performance Right are not satisfied and/or otherwise waived by the Board, that security will lapse.
Conversion of Performance Rights	To convert a Performance Right, the Participant must deliver a signed notice of exercise at any time following vesting of the Performance Right (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

	A Performance Right may not be converted unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
Timing of issue of Shares and quotation of Shares on conversion	As soon as practicable after the valid conversion of a Performance Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unconverted Performance Rights held by that Participant.
Restrictions on dealing with Performance Rights	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Performance Rights granted to them under the Plan with the consent of the Board.</p>
Listing of Performance Rights	A Performance Right granted under the Plan will not be quoted on the ASX or any other recognised exchange.
Forfeiture of Performance Rights	<p>Performance Rights will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) where a Participant who holds Performance Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Performance Rights will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the expiry date of the Performance Rights.
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of Performance Rights	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon convert of those Performance Rights, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are converted.</p> <p>Unless otherwise determined by the Board, a holder of Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Rights attaching to Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid conversion of a Performance Right, will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares issued upon conversion of a Performance Right and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.

Disposal restrictions on Shares	<p>If the invitation provides that any Shares issued upon the valid conversion of a Performance Right are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Shares	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of an Performance Right may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by persons during the time the holder has such information.</p> <p>Any Shares issued to a holder upon conversion of a Performance Right shall be subject to the terms of the Company's Performance Rights Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Performance Rights and Shares issued upon conversion of Performance Shares in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Performance Rights for holders under the Plan and delivering Shares on behalf of holders upon conversion of Performance Rights.</p>
Maximum number of Performance Rights	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon conversion of Performance Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b).</p>
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Performance Rights have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Performance Rights granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Performance Rights may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **9.30am (AWST) on Tuesday, 22 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

