

Promisia Integrative Limited
Notice of Annual Meeting



Notice is hereby given that the Annual Meeting of Promisia Integrative Limited (the "Company") will be held in the Von Kohorn Room, Level 1, Wellington Museum, 3 Jervois Quay, Queens Wharf, Wellington, on Thursday, 31 May 2018, commencing at 9:30am.

Ordinary Business

(1) Annual Report

To receive the Company's Annual Report of the Directors and Financial Statements for the year ended 31 December 2017.

(2) Re-appointment of Auditors

Resolution 1: To consider the following Ordinary Resolution:

"That Moore Stephens Markhams Wellington Audit of Wellington having indicated their willingness to continue in office be re-appointed as auditors of the Company and that the directors be authorised to fix their remuneration for the ensuing year."

(3) Re-election of Director

Resolution 2: To consider the following Ordinary Resolution:

"That, pursuant to Listing Rule 3.3.11, Mr Duncan Priest, who retires by rotation and has offered himself for re-election, be re-elected as a director of the Company."

A brief biography for Mr Priest is follows the Explanatory Notes to this notice of meeting. In the opinion of the Board Mr Priest is considered to be an independent director of the Company.

(4) Ratification of Previous Issue

Resolution 3: Ratification of previous issue of 47,750,000 ordinary shares – Ordinary Resolution – Listing Rule 7.3.5(c)

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

"The previous allotment of 47,750,000 ordinary fully paid shares, at an issue price of \$0.02 per share raising the sum of \$955,000, to qualifying investors on 16 January 2018, is hereby ratified and approved".

Explanatory notes for Resolution 3 are set out in the following pages.

(5) Approval of issue of Convertible Notes

Resolution 4: Approval to issue Convertible Notes - Ordinary Resolution – Listing Rule 7.3.1

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

"That the Directors are authorised to issue a minimum of \$300,000 of Convertible Notes and up a maximum of \$1 million of Convertible Notes to qualifying investors, including directors, on the terms and conditions set out in the attached Explanatory Notes".

Explanatory notes for Resolution 4 are set out in the following pages.

Voting Procedures

All of the resolutions are ordinary resolutions. An ordinary resolution can be passed by a simple majority of votes cast by shareholders that are entitled to vote and are voting either in person or by proxy.

Proxies

Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person as proxy to attend and vote on his or her behalf. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy. A proxy need not be a shareholder of the Company.

The Chairman of the meeting can be appointed as a proxy.

The directors and shareholders who participated in the Placement of 16 January 2018 are disqualified from voting concerning Resolution 3 and the directors are also disqualified from voting concerning Resolution 4. Any disqualified shareholder may vote on both Resolutions 3 and 4 where the shareholder issuing the proxy has given the proxy holder a clear instruction how to exercise that shareholder's vote.

To appoint a proxy you should complete and sign the proxy form and either return it by mail, fax or email to the share registrar of the Company:

By delivery:

Promisia Integrative Limited
C/- Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland 1010

By mail:

Promisia Integrative Limited
C/- Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142

By Fax: +64 9 375 5990

By Email: meetings@linkmarketservices.co.nz (please put "Promisia Proxy Form" as the subject of the e-mail for easy identification)

Alternatively, to appoint your proxy and vote online please go to the Link Market Services website at <https://investorcentre.linkmarketservices.co.nz/voting/PIL> and follow the instructions. You will be required to enter your holder number and FIN for security purposes. A shareholder will be taken to have signed the proxy form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by no later than 48 hours before the meeting, being 9.30am on Tuesday 29 May 2018. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the meeting and only the shares registered in those holders' names at that time may be voted at the meeting.

By order of the Board

S Underwood
Wellington
16 May 2018

EXPLANATORY NOTES

Resolution 3: Ratification of Previous Issue

On 16 January 2018 the Company completed a placement of 47,750,000 fully paid ordinary shares (Placement) to wholesale and eligible investors at a price of \$0.02 per share. This placement raised the sum of \$955,000 to be used as working capital to support the launch of Arthrem in Australia, fund market development of Artevite in New Zealand and support product development.

The directors were able to make this Placement under Listing Rule 7.3.5 up to a total of 20% of the issued capital of the Company. The placement was equal to approximately 9.38% of the issued capital of the Company immediately prior to the Placement.

This resolution is being proposed by the Directors under Listing Rule 7.3.5(c) to restore the ability to issue shares back to the full 20% of the then issued capital of the Company immediately prior to any such issue.

A major institutional shareholder required the Directors to participate in the Placement as a condition of its participation. The Directors are therefore not able to vote on this resolution.

Failure to pass Resolution 3 will not affect the validity of the Placement but will reduce the number of shares that can be issued by the Company for a period of twelve months from 16 January 2018, i.e. until 16 January 2019.

The Directors recommend to shareholders that they support Resolution 3.

Resolution 4: Approval to issue Convertible Notes

As noted in reports to shareholders, the Medsafe Alert issued on 15 February 2018 had a significant and immediate effect on the sale of all of the Company's products, particularly in New Zealand but also in Australia. Extensive advertising campaigns using television were underway for both Arthrem and Artevite and the Company was unable to reduce its promotional commitments. While support from pharmacies has been very positive, demand from the public was subject to a severe reduction in February and March. Sales in April have recovered well but are considerably less than budgeted originally and also less than those achieved in 2016 and 2017.

As sales build in both New Zealand and Australia it will be necessary for the Company to raise additional capital to fund monthly shortfalls until a breakeven can be achieved. The Directors are of the view that an interest bearing Convertible Note issue to wholesale and eligible investors is the most appropriate funding mechanism at the moment.

The terms of the convertible note issue are as follows:

Par Value	\$1 each
Minimum Subscription:	\$10,000
Payable	Payable in full on application
Security	Unsecured
Interest	Interest at the rate of 6% per annum (simple interest calculated monthly) on the face value of the Convertible Note until the relevant Conversion Date or Redemption Date with interest paid in shares on conversion
Term	Up to 12 months
Conversion Date	First Conversion Date: 31 October 2018 at the option of the holder Final Conversion Date: 31 May 2019
Corporate Action	In the event of the Company making an acquisition for shares the holders will have the right to convert the Convertible Notes into fully paid ordinary shares at the Conversion Price. In the event of a partial or complete takeover of the Company the holders will have the right to convert the Convertible Notes into fully paid ordinary shares at the Conversion Price
Conversion Price	The share price for the conversion of the Convertible Notes into ordinary shares shall be \$0.005 cents per share (half a cent per share). Interest accrued shall be converted six monthly at a conversion price being the closing price share price on 31 October 2018 and 30 April 2019 (or the nearest preceding day on which any trading occurred)
Dilution Effect	The conversion of the minimum subscription of \$300,000 of Convertible Notes will result in the issue of 60 million shares that will be equal to 9.03% of the enlarged capital of the Company. If the maximum of \$1 million of Convertible Notes are issued then on conversion 200 million shares will be issued which will be equal to 24.86% of the enlarged capital of the company. It is not possible to calculate the impact of the conversion of accrued interest on the Convertible Notes because the conversion price

	for interest is dependent upon an unknown future event i.e. a share price. In any event the impact of the conversion of accrued interest is unlikely to be material
Ranking	Any shares issued as a result of the conversion of Convertible Notes or interest will rank pari passu with all other fully paid ordinary shares issued by the Company
Voting Rights	The Convertible Notes do not carry any voting rights.
Variation of Terms	If there is a material change in the circumstances of the Company, other than a Corporate Action, then the Company and holders of the Convertible Notes may agree to vary these terms

Mr Tom Brankin, the Company's largest shareholder, has indicated his intention to subscribe for at least \$300,000 of the Convertible Notes.

Any share split or share consolidation undertaken by the Company will be reflected in the Convertible Notes.

The Directors recommend that shareholders support the Resolution 4.

General Comments

The issue will proceed as soon as possible after the Annual Meeting and the directors expect to have the issue of Convertible Notes completed by 30 June 2018.

If only Resolution 3 is passed then the Company will have the ability to issue up to approximately \$600,000 of Convertible Notes without the need for shareholder approval.

If only Resolution 4 is passed will be able to undertake the proposed offer of convertible notes under Rule 7.3.1, but will be restricted in the number of additional securities it can issue without shareholder approval for a period of 12 months following the Placement referred to in Resolution 3.

If Resolution 5 is not passed then the Company will have to cease trading or negotiate the sale of its business.

If both resolutions are passed, the Company will be able to undertake the proposed offer of Convertible Notes AND will increase its ability to issue additional securities under Rule 7.3.5 without needing to seek shareholder approval.

Background on Mr Duncan Priest

Duncan Priest (74) retired from active stock broking in 2012 after a career in the profession that began in 1963. During part of that time he was a Member of The Wellington Stock Exchange and its successor the NZ Stock Exchange. He was involved at various times in the whole facet of stock and share broking, including capital raisings, both primary and secondary markets, order executions, and providing investment advice to a wide clientele, both in New Zealand and overseas.

He has been a Director of the Company since 2012 and is also a Director of Trans Tasman Resources Ltd.