

**Allegra Orthopaedics
Limited**
Level 8, 18-20 Orion Road
Lane Cove West
NSW 2066
ACN: 066 281 132

www.allegraorthopaedics.com



Allegra Orthopaedics Limited

Notice of 2021 Annual General Meeting

Explanatory Statement | Proxy Form

15 December 2021

9:00 AM AEDT

Address

Level 8, 18-20 Orion Road,
Lane Cove West, NSW 2066

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.

Contents

Venue and Voting Information	2
Notice of Annual General Meeting – Agenda and Resolutions	4
Notice of Annual General Meeting – Explanatory Statement	8
Glossary	16
Proxy Form	Attached

Important Information for Shareholders about the Company's 2021 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 11 November 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.allegraorthopaedics.com. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00 am AEDT on 15 December 2021 at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066.

Questions can be submitted in writing to Justyn Stedwell by email to justyn.stedwell@automicgroup.com.au at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

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

Voting by proxy

A Shareholder is entitled to appoint a proxy. The proxy need not be a Shareholder and can either be an individual or a corporation.

A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion, or number, of votes which each proxy is entitled to exercise. If no proportion or number is specified, each proxy may exercise up to half of the Shareholder's votes.

Shareholders and their proxies should be aware that:

- (a) if a proxy votes, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, which must vote the proxies as directed.

To vote by proxy, you must complete and lodge the Proxy Form using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgment process please see the Online Proxy Lodgment Guide at https://investor.automic.com.au/#/loginsah
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

For details on how to complete and lodge the Proxy Form, please refer to the instructions on the Proxy Form.

Power of Attorney

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If you are a corporate shareholder attending, or appointing a corporate proxy to attend, the Meeting, you or the corporate proxy (as applicable) will need to ensure that it appoints an individual as its corporate representative to exercise its powers at that AGM in accordance with section 250D of the Corporations Act, and prior to the commencement of the AGM provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Allegra Orthopaedics Limited ACN 066 281 132 will be held at 9:00 am AEDT on 15 December 2021 at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEDT on 13 December 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is **for discussion only and is not a resolution.**

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

Remuneration Report

1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2021.”

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

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Re-election of Directors

2. Resolution 2 – Re-election of Peter Kazacos as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Peter Kazacos, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”

3. Resolution 3 – Re-election of Nicholas Hartnell as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Nicholas Hartnell, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”

ASX Listing Rule 7.1A (Additional 10% Capacity)

4. Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) 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
- (ii) 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
- (iii) 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.

BY ORDER OF THE BOARD

Justyn Stedwell
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00 am AEDT on 15 December 2021 at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at www.allegraorthopaedics.com.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 8 December 2021.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at www.allegraorthopaedics.com.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2022 Annual General Meeting (**2022 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2022 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2022 AGM. All of the Directors who were in office when the 2022 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Re-election of Directors

Resolution 2 – Re-election of Peter Kazacos as Director

The Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

ASX Listing Rule 14.4 also provides that each Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Peter Kazacos was appointed a Director of the Company on 9 May 2006 and was last re-elected as a Director at the 2017 AGM.

Under this Resolution, Peter Kazacos has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Peter has over 40 years' experience in the IT industry. He founded KAZ in 1988, guided it from a small IT services company in NSW to one of Asia Pacific's leading IT services and business process outsourcing service providers with over 4,000 employees, as a fully owned subsidiary of Telstra. He also founded Anittel Ltd, building it into one of Australia's leading IT&C service providers operating outside the major metropolitan areas, leading to its acquisition in 2010 by Anittel Group Limited (since renamed Axxis Technology Group Ltd.), representing a major strategic milestone in the transformation and convergence of the IT&T industry. Prior to founding KAZ and Anittel, Peter held a number of senior technical positions in the Australian IT industry with leading Australian organisations. Peter was the recipient of the inaugural Australian Entrepreneur of the Year 2001 award in the Technology, Communications, E-Commerce and Biotechnology category.

Directors' recommendation

The Directors (excluding Peter Kazacos) recommend that Shareholders vote for this Resolution.

Resolution 3 – Re-election of Nicholas Hartnell as Director

The Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

ASX Listing Rule 14.4 also provides that each Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Nicholas Hartnell was appointed a Director of the Company on 7 March 2018 and was last re-elected as a Director at the 2018 AGM.

Under this Resolution, Nicholas Hartnell has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

As an orthopaedic surgeon, Nicholas brings to Allegra a wealth of orthopaedic industry experience. He completed a Bachelor of Medicine and Bachelor of Surgery at the University of Sydney in 1995. Since then he has been focused on orthopaedic training and specialisation and hence has many years of experience in all facets of Orthopaedic care. Nicholas set up his practice in Bowral in the Southern Highlands, NSW and has since expanded his surgical practice into the Goulburn, and Camden/Campbelltown areas. As a result of Nicholas' extensive experience as an orthopaedic surgeon, he will continue in his role as a member of Allegra's Panel of Surgeon Adviser

Directors' recommendation

The Directors (excluding Nicholas Hartnell) recommend that Shareholders vote for this Resolution.

ASX Listing Rule 7.1A

Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

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 that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$24.1 million and therefore is an eligible entity for Listing Rule 7.1A. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Formula for calculating additional 10% capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A.2 provides those eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue at the commencement of the Relevant Period:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 (other than exception 9, 16 or 17);
- (b) plus the number of fully paid ordinary Shares issued in the Relevant Period on the conversion of Convertible Securities within ASX Listing Rule 7.2 exception 9 where:
 - i. the Convertible Securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - ii. the issue of, or agreement to issue, the Convertible Securities was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or 7.4;

- (c) plus the number of fully paid ordinary Shares issued in the Relevant Period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - a. the agreement was entered into before the commencement of the Relevant Period; or
 - b. the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- (d) plus the number of partly paid Shares that became fully paid in the Relevant Period;
- (e) plus the number of fully paid shares issued in the Relevant Period with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This may include fully paid ordinary Shares issued in the Relevant Period under an agreement to issue securities within ASX Listing Rule 7.2 exception 17 where the issue is subsequently approved under ASX Listing Rule 7.1;
- (f) less the number of fully paid shares cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of the ordinary Shares under ASX Listing Rule 7.4.

Relevant Period means the 12 month period immediately preceding the date of the issue or agreement.

Convertible Securities has the meaning given to that term in the ASX Listing Rules (for example, Options and the Convertible Notes).

It is noted that securities issued with the shareholder approval under ASX Listing Rule 7.1 are not considered to have been issued or agreed to be issued under ASX Listing Rule 7.1A. Securities issued without shareholder approval with the benefit of waiver from ASX Listing Rule 7.1 are treated as being issued with shareholder approval under ASX Listing Rule 7.1 unless the terms of the waiver provides otherwise.

Information Required by ASX Listing Rule 7.3A

The following information is provided to Shareholder for the purposes of ASX Listing Rule 7.3A.

Period for which the approval will be valid

An approval under ASX Listing Rule 7.1A commences on the date of the Meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(‘LR7.1A Mandate Period’).

Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under ASX Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

As at the date of this Notice, the Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: AMT).

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under ASX Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under ASX Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under ASX Listing Rule 7.1A during the LR7.1A Mandate Period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under ASX Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds raised may be used for the following purposes:

- (a) general working capital.

Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company may be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in Listing Rule 7.1A.2 where the number of Shares on issue (Variable "A") in the formula in ASX Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the Share Price has decreased by 50%, remained current or increased by 100% based on the closing price of the Company's Shares on ASX as at 26 October 2021):

		Potential Dilution and Funds Raised		
		\$0.102 50% decrease in issue price	\$0.205 issue prices ^(b)	\$0.41 100% increase in issue price
"A" is the number of shares on issue, being	10% voting dilution ^(c)	10,445,920	10,445,920	10,445,920

104,459,203 Shares^(a)	Funds raised	\$1,070,707	\$2,141,414	\$4,282,827
"A" is a 50% increase in shares on issue, being 156,688,805 Shares	10% voting dilution^(c)	15,668,880	15,668,880	15,668,880
	Funds raised	\$1,606,060	\$3,212,120	\$6,424,241
"A" is a 100% increase in shares on issue, being 208,918,406 Shares	10% voting dilution^(c)	20,891,841	20,891,841	20,891,841
	Funds raised	\$2,141,414	\$4,282,827	\$8,565,655

Notes:

- (a) Based on the total number of fully paid ordinary Shares on issue as at 26 October 2021.
- (b) Based on the closing price of the Company's Shares on ASX as at 26 October 2021.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (f) The table assumes that no Options, Convertible Notes and/or Performance Rights are exercised or converted into Shares before the date of issue of the equity securities.
- (g) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (h) "Fund raised" are before any capital raising costs which may be incurred.

Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under ASX Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the LR 7.1A Mandate Period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the LR 7.1A Mandate Period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities under ASX Listing Rule 7.1A in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the LR 7.1A Mandate Period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

Issue or agreement to issue equity securities under ASX Listing Rule 7.1A in the 12 months prior to the Meeting

The Company previously received Shareholder approval under ASX Listing Rule 7.1A at the 28 October 2020 AGM but has not issued or agreed to issue equity securities under ASX Listing Rule 7.1A.2 pursuant to this approval in the 12 months preceding the date of the Meeting.

Voting exclusion statement

A voting exclusion statement is included in Resolution 4 of this Notice.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution

Enquiries

Shareholders are asked to contact the Company Secretary Justyn Stedwell by email to justyn.stedwell@automicgroup.com.au or by calling (03) 8395 5446 if they have any queries in respect of the matters set out in these documents.

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2021 Annual Report to Shareholders for the period ended 30 June 2021 as lodged by the Company with ASX on 29 October 2021.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of Crowe Sydney dated 26 August 2021 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Allegra Orthopaedics Limited ACN 066 281 132.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "\$" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Performance Right means a performance right which, subject to its terms, could convert to a Share.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Share Registry means Automic Registry Services.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (AEDT) on Monday, 13th December 2021**, 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

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>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

