



**NOTICE OF 2020 ANNUAL GENERAL MEETING  
MEDLAB CLINICAL LIMITED  
ACN 169 149 071**

Notice is given that the Annual General Meeting (**AGM**) of Medlab Clinical Limited (**Company**) will be held at Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 on Friday, 16 October 2020 at 10:00am (**AGM**).

The AGM is also accessible to shareholders via a live webcast with an online platform to facilitate shareholder questions and answers in relation to the business. This facilitation will also allow shareholder voting in real time. Please see details set out in the proxy nomination form for details of how to virtually attend the AGM.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the AGM. The Explanatory Statement and the Proxy Form form part of this Notice.

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## Business of the Meeting

### *Agenda*

#### *1.1 Financial Statements and Reports*

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2020.

#### *1.2 Resolution 1 - Adoption of Remuneration Report*

To consider and, if thought fit, pass with or without amendment, the following Resolution as a **non-binding ordinary resolution** of the Company:

*"That the Remuneration Report forming part of the Directors' Report for the financial year ended 30 June 2020 be adopted."*

Note: the vote on this Resolution is not binding on the Company.

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

#### *1.3 Resolution 2 - Re-election of Mr Michael Jack Hall as Director*

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

*"That in accordance with ASX Listing Rule 14.5 and for all other purposes, Mr Michael Jack Hall, a Director, retires and, being eligible, is re-elected as a Director of the Company".*

#### 1.4 Resolution 3 – Ratification of Previous Placement

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 17,857,143 Shares on the terms and conditions set out in the Explanatory Statement.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

#### 1.5 Resolution 4 – Appointment of Mr Laurence McAllister as Director

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

*“That in accordance with ASX Listing Rule 14.4 and for all other purposes, Shareholders approve and ratify the prior appointment of Mr Laurence McAllister as a Director of the Company”.*

#### 1.6 Resolution 5 – Issue of Options to Mr Laurence McAllister

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

*“That, for the purpose of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 4,000,000 options to Mr Laurence McAllister (or his nominee) for nil consideration with an exercise price of 18c each, vesting on and from 31 January 2021, with an expiration of 31 October 2022, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

#### 1.7 Resolution 6 – Issue of Options to Dr Sean Hall

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

*“That, for the purpose of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 4,000,000 options to Dr Sean Hall (or his nominee) for nil consideration with an exercise price of 20c each, vesting on and from 31 January 2021, with an expiration of 31 October 2022, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

### 1.8 Resolution 7 – Issue of Options to Mr Michael Jack Hall

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

*“That, for the purpose of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 2,000,000 options to Mr Michael Jack Hall (or his nominee) for nil consideration with an exercise price of 20c each, vesting on and from 31 January 2021, with an expiration of 31 October 2022, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

### 1.9 Resolution 8 – Issue of Options to Mr Drew Anthony Townsend

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

*“That, for the purpose of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 2,000,000 options to Mr Drew Anthony Townsend (or his nominee) for nil consideration with an exercise price of 20c each, vesting on and from 31 January 2021, with an expiration of 31 October 2022, and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

### 1.10 Resolution 9 – Increase Placement Capacity

To consider and, if thought fit, pass with or without amendment, the following Resolution as a **special resolution** of the Company:

*“That, for the purpose of ASX Listing Rule 7.1A, the issue of equity securities up to 10% of the equity securities of the Company calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

### 1.11 Resolution 10 – Increase Non-Executive Remuneration

To consider and, if thought fit, pass with or without amendment, the following Resolution as a **special resolution** of the Company:

*“That, for the purpose of ASX Listing Rule 10.17 and 10.17A, for all other purposes, the total available Non-Executive Director remuneration pool available to remunerate Non-Executive Directors for their services to the Company be increased by \$300,000 to \$600,000 per year.”*

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

## Important Information

### *Your vote is important*

The business of the AGM affects your shareholding and your vote is important.

### *Voting eligibility*

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the AGM are those who are registered members at 5.00pm AEST on 14 October 2020.

### *Voting in person*

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

### *Voting by proxy*

Under rule 10.24 of the Company's Constitution, each member may appoint a proxy. The proxy may be a member of the Company but does not have to be a member. A member who is entitled to cast two or more votes may appoint two proxies, but must specify the proportion or number of votes each proxy is appointed to exercise.

A proxy form is attached to this document. To be effective, proxy forms must reach the Advanced Share Registry Ltd by no later than 10.00am AEST on Wednesday, 14 October 2020.

You may lodge your proxy vote:

- online at [www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login),
- by mail to Advanced Share Registry PO Box 1156, Nedlands WA 6909,
- by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au),
- by Fax on 61 8 6370 4203
- or in person to Advanced Share Registry 110 Stirling Hwy, Nedlands WA 6009.

By order of the board of Directors of the Company.

Dated: 15 September 2020



**Alan Dworkin**

Company Secretary  
Medlab Clinical Limited

## Explanatory Statement

This Explanatory Statement is included in, and form part of, the Notice of AGM dated 16 October 2020.

The voting exclusions are set out at the end of the Explanatory Statement.

### 1.1 *Financial Statements and Reports*

Under section 314 of the Corporations Act 2001 (Cth) (**Corporations Act**), a listed company that is required to hold an AGM must table the financial statements and reports of the company (including the Directors' Report, Remuneration Report and Auditor's Report) for the previous financial year before the members at that AGM.

The Shareholders have been provided with all relevant information concerning those documents in the Annual Financial Report of the Company for the year ended 30 June 2020. A copy of the Annual Financial Report will also be tabled at the meeting.

The Shareholders should note that the sole purpose of tabling the Annual Financial Report at the 2020 AGM is to provide them with the opportunity to ask questions about the financial statements and reports of the Company. It is not the purpose of the meeting that the financial statements or reports be accepted, rejected or modified in any way. Further, it is not a requirement of the Corporations Act that any resolution to adopt, receive or consider the Company's financial statements or reports be put to the Shareholders at the meeting.

The Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will also be available to receive questions and comments from shareholders about the preparation and content of the financial statements and the Auditor's Report and the conduct of the audit generally.

### 1.2 *Adoption of Remuneration Report*

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report of the Company for the year ended 30 June 2020. Under section 250R of the Corporations Act, a resolution that the Company's remuneration Report be adopted by the Company must be put to the Shareholders at each AGM. A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

Any resolution in relation to the adoption of the Remuneration Report is advisory only and does not bind the Company or its Directors. However, under Part 2G.2, Division 9 of the Corporations Act, if at least 25% of the votes cast on the resolution are against the adoption of the Remuneration Report at both the 2020 AGM and the AGM to be held in 2021, the Company

will be required to put a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company to the Shareholders (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's AGM in 2021. All of the Directors in office at the time of the AGM to be held in 2021, other than any 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 is approved will be the Directors of the Company.

The Directors unanimously recommend that Shareholders vote in favour of this resolution to adopt the remuneration report.

### **1.3     *Resolution 2 - Re-election of Mr Michael Jack Hall as a Director***

Pursuant to section 11.3 of the Constitution of the Company, the Company may by resolution appoint and remove any Director.

ASX Listing Rule 14.5 the Company must hold an election of directors at each annual general meeting. This rule applies even when there is no director required to stand for re-election at an annual general meeting. The Company must have at least one director stand for re-election at each annual general meeting, whereby if no director is up for re-election, the Company must select at least one of the existing directors to stand by re-election.

Michael Jack Hall was selected as one of the existing Directors who will stand for re-election.

An application and consent to nomination as a Director of the Company has been received from Michael Jack Hall, pursuant to section 11.7(c) of the Company's Constitution.

Michael Jack Hall is eligible for re-election.

### **1.4     *Resolution 3 – Ratification of Previous Placement***

The shares referred to in this resolution were issued under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of that Listing Rule if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1.

If Shareholders approve Resolution 3, the issue of 17,857,143 shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 7.5, the following information is provided:

- (a) The shares were issued to institutional and sophisticated investors in Australia who were identified and selected in the course of an institutional placement undertaken by Morgans Corporate Limited and Acova Capital, acting as Joint Lead Managers.
- (b) A total of 17,857,143 fully paid ordinary shares were allotted on 23 December 2019 at an issue price of \$0.28 per share.
- (c) The securities were ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (d) The shares were issued for the purposes of helping the Company address short-term goals as it prepared for Phase 3 research of its NanaBis™ drug candidate program.

#### **1.5 Resolution 4 – Ratification of Appointment of New Director**

Mr McAllister is Medlab's first Board appointment since the IPO in 2015. Mr McAllister is currently CEO of McPherson's Limited (ASX.MCP) a global consumer goods company in the Health, Wellness & Beauty sector with a market capitalisation of ~\$316M. Under his leadership McPherson's has delivered an impressive turnaround, growing annual sales revenue to \$220M. He brings strong experience in consumer marketing and extensive commercial, M&A and business strategy experience.

Mr McAllister was previously Managing Director for Sanofi in Australia & New Zealand, where he successfully led and turned around the company's consumer healthcare business. During his tenure at Sanofi he also served on the Board of Medicines Australia for two years.

Mr McAllister's global experience, across marketing and strategy, and success in building recognisable healthcare brands will be invaluable as Medlab continues to advance development and commercial rollout of its portfolio of novel drug candidates.

#### **1.6 Resolutions 5 to 8 – Grant of Options to Directors**

In accordance with Resolutions 5 to 8, the Company proposes to grant a total of 12,000,000 options exercisable at an exercise price set out below, such Options to be granted to the Directors no later than the date that is one month following the AGM.

Director	Options	Exercise Price
Mr Laurence McAllister	4,000,000	18 cents
Dr Sean Hall	4,000,000	20 cents
Mr Michael Jack Hall	2,000,000	20 cents
Mr Drew Anthony Townsend	2,000,000	20 cents

The options are proposed to be issued for nil consideration, vesting from 31 January 2021, with an expiration date of 31 October 2022. Further terms and conditions are set out in the Annexure to this Explanatory Memorandum.

The grant of options is designed to incentivise the Directors by participating in the future growth and prosperity of the Company through share ownership and in recognition made to the Company by the Directors and their ongoing responsibility.

The Directors are related parties of the Company. Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of the financial benefit to the related party.

Shareholder approval of the grant of options is being sought for the purposes of ASX Listing Rule 10.11. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

If Resolutions 5 to 8 are passed, they will permit the Company giving a financial benefit to the Directors, who are therefore related parties of the Company.

The nature of the financial benefit is the grant of the number of Options set out above for nil consideration. The Options will vest from 31 January 2021.

#### **Other Information**

If the Company's shares are trading on ASX at a higher price than the exercise price of the Options at the time of exercise, the effect will be to give an immediate financial benefit to the Directors at the time the Options are exercised.

The Directors do not make any recommendation on Resolutions 5 to 8 because of their personal interest in the subject matter of the Resolutions.

#### **Reasons for grant of Options**

The Company has been fortunate to attract a highly regarded management team, and given the relatively small size of the Company, it is important that the Company retain its key people, and in particular, its leadership.

Under the Company's current circumstances, the Directors consider that the proposed grant of Options is appropriate to provide an incentive to the Directors to continue to play a key and integral role in the future benefit of the Company and therefore increased shareholder value.

The Directors note that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) provide that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. While the Corporate Governance Principles and Recommendations suggest that non-executive directors should not generally receive options with performance hurdles attached, it is noted that there are no such hurdles attached to the Options the subject of Resolutions 5 to 8. The exercise price for the options is higher than the current share price. This means it is unlikely that the options will be exercised unless and until the share price exceeds the exercise price.



### **Information Required by ASX Listing Rules for Resolutions 5 to 8**

Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. Approval is being sought for the proposed grant of Options to the Directors under Resolutions 5 to 8.

Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the Options to be granted to Directors to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- (a) The maximum number of securities to be issued to the Directors is 12,000,000.
- (b) No funds will be raised by the grant of the Options as they are being granted for nil consideration.
- (c) The company intends to grant the Options to the Directors as soon as practicable after the date of the Annual General Meeting but in any event, no later than one month after the date of the Meeting.
- (d) The maximum number of securities to be issued to the Directors, if all milestones are achieved on the basis of the current number of shares on issue, will equate to 4.29% of the total shares on issue.

### **1.7 Resolution 9 – Increase Placement Capacity**

ASX Listing Rule 7.1A enables companies to seek shareholder approval, by special resolution, to issue equity securities equivalent to an additional 10% of the number of equity securities on issue by way of placements over a 12 month period (the **10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 9 is seeking approval of shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Note.

#### **Formula for calculating 10% placement capacity**

The number of equity securities which may be issued or the Company may agree to issue is calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A.2:

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

Where:

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:

- *plus* the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- *plus* the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities under rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period;
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- *plus* the number of fully paid ordinary securities issued in the relevant period within rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the relevant period;
    - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
  - *plus* the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4;
  - *plus* the number of partly paid ordinary securities that became fully paid in the relevant period;
  - *less* the number of fully paid ordinary securities cancelled in the relevant period.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of shareholders under ASX Listing Rule 7.4.5

#### **Placement capacity under ASX Listing Rule 7.1 and 7.1A**

Pursuant to ASX Listing Rule 7.1, the Company must not issue, or agree to issue, more equity securities in a 12 month period than 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. The Company's capacity is currently 15%.

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

#### **Minimum issue price**

- The minimum price at which the equity securities will be issued will be no less than 75% of the VWAP for equity securities of the same class, calculated over the 15 trading days on which trades are recorded immediately before:
  - the date on which the price at which the securities are to be issued is agreed, or
  - if the securities are not issued within 5 trading days of the date in the above paragraph, the date on which the securities are issued.

#### **Dilution to existing shareholdings**

- The existing ordinary shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued, including:
  - the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
  - the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary shares as at the date of this Notice of Meeting and Explanatory Note (Variable A) calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting and Explanatory Note. The table also shows:

- examples of where Variable A has increased by 50% and by 100% respectively. The number of ordinary shares on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro-rata entitlement issue or shares issued under a takeover offer) or future specific requirements under Listing Rule 7.1 that are approved at a future shareholders meeting; and
- examples of where the issue price of ordinary shares has decreased by 50%, and increased by 100% respectively, as against the current market price.

Share Capital – Variable A (ASX Listing Rule 7.1A.2)		Dilution		
		AUD\$0.0775	AUD\$0.155	AUD\$0.31
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
<b>Current Variable A</b>  269,205,830 ordinary shares	Number of Shares (10%)	26,920,583 ordinary shares	26,920,583 ordinary shares	26,920,583 ordinary shares
	Funds raised	AUD\$2,086,345	AUD\$4,172,690	AUD\$8,345,380
<b>50% increase in Current Variable A</b>  403,808,745 ordinary shares	Number of Shares (10%)	40,380,874 ordinary shares	40,380,874 ordinary shares	40,380,874 ordinary shares
	Funds raised	AUD\$3,129,517	AUD\$6,259,035	AUD\$12,518,071
<b>100% increase in Current Variable A</b>  538,411,660 ordinary shares	Number of Shares (10%)	53,841,166 ordinary shares	53,841,166 ordinary shares	53,841,166 ordinary shares
	Funds raised	AUD\$4,172,690	AUD\$8,345,380	AUD\$16,690,761

Notes:

- The table assumes that the Company issues the maximum number of ordinary shares available under ASX Listing Rule 7.1A.
- The table assumes that no options are exercised for ordinary securities before the date of the issue of ordinary shares under ASX Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placements Facility based on that shareholder's interest at the date of the meeting.
- The table shows the effect of an issue of ordinary securities under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- The issue price of AUD\$0.155 being the closing price of the shares on the ASX on 31 August 2020.

**Placement period**

- The date by which the Company may issue the equity securities is the period commencing on the date of the Annual Meeting (to which this Notice of Meeting relates, i.e. 16 October 2020) at which approval is obtained and expiring on the first to occur of the following:
  - The date which is 12 months after the date of the Annual Meeting at which approval is obtained (i.e. 15 October 2021); and
  - The date of the approval by shareholders of the Company's equity securities of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale or activities) or 11.2 (disposal of main undertaking). The approval under ASX Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under ASX Listing Rule 11.1.2 or 11.2.7

**Purpose of 10% Placement Facility**

- The ordinary shares will be issued for the purpose of raising working capital for the Company. The funds will be applied to further:
  - Ensure path of NanaBis™ to Phase 3 trials submission are uninterrupted – this is a key valuation milestone
  - Funding to bridge multiple research catalysts
  - Working capital for VMS inventory to maintain sales and promote new sales channel
  - Working capital for NanaBis™ inventory for growing sales and international markets

**Allocation Policy**

- The Company's allocation policy is dependent on the prevailing market conditions at the times of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:
  - The methods of raising funds that are available to the Company;
  - The effect of the issue of the equity securities on the control of the Company. Allocation will be subject to takeovers code restriction thresholds;
  - The financial situation and solvency of the Company; and

- Advice from corporate, financial and broking advisers (if applicable).
- The Allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial security shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- The Company has not issued or agreed to issue any securities under rule 7.1A.2 in the 12 months preceding the date of the AGM.

#### **Effect if resolution not passed**

If the resolution is not passed, the Company will be limited to the 15% placement capacity under the ASX Listing Rules.

### **1.8 Resolution 10 – Increase Non-Executive Remuneration**

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of the Directors' fees payable to Non-Executive Directors without shareholder approval. The aggregate amount approved by Shareholders excludes remuneration paid to Executive Directors.

At present, the maximum aggregate of fees (total fee pool) that may be collectively paid to the Non-Executive Directors of the Company per annum is \$300,000.

Resolution 10 seeks Shareholder approval to increase this amount by \$300,000 per annum to \$600,000 for the following reasons:

- (a) The Board wishes to provide additional capacity and flexibility to make additions to the Board, if and when appropriate, as part of its management of Board succession planning;
- (b) The Board, not that it currently perceives this is occurring, wishes to allow for future increase in the level of Director fees paid to ensure the Company is competitive in the market. The Company has considered market data, and an increase in the remuneration pool reflects increasing demands on Non-Executive Directors, allowing the Company to attract and retain high quality Non-Executive Directors with an appropriate range of skills, expertise and diversity.

The proposed increased Non-Executive remuneration pool of \$600,000 reflects a maximum limit. The Board does not intend presently to increase fees to that limit.

The Company has not otherwise issued any shares to non-executive directors in the 3 years prior to the AGM.

## **Voting Exclusions**

The Corporations Act and the ASX Listing Rules require that voting restrictions apply to some or all of the resolutions as set out below.

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

*Voting exclusion:* A vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- (a) a member of the Key Management Personnel named in the Remuneration Report (**KMP**) or their Closely Related Parties regardless of the capacity in which the vote is cast; or
- (b) as a proxy by a person who is a member of the KMP at the date of Meeting or their Closely Related Parties.

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 the person describe above and either:

- (a) the voter is appointed as a proxy by writing that specified the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on this resolution; or
  - (ii) expressly authorises the Chairman to exercise the proxy even through this resolution is connected either directly or indirectly with the remuneration of the KMP.

### ***Resolution 3 – Ratification of Previous Placement***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution if by a person, or any associate of that person, who participated in the issue or those shares (excluding where a benefit was obtained solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### ***Resolutions 5 to 8 – Issue of Options to Directors***

**Voting Exclusion:** The Company will disregard any votes in respect of this resolution if they are cast by or on behalf of a person who is named in the relevant resolution or an associate of that named person. However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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

- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) 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:*

In accordance with section 250BB of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP, or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Further, a Restricted Voter who is appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (a) the proxy is the chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution.

Please Note: If the Chair is a person referred to in section 224 of the Corporations Act in the voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on this Resolution. If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company and may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Resolution 9 - Increase Placement Capacity**

*Voting Exclusion:* The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour of this Resolution by a person who may participate in the 10% placement issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, the Company will not disregard a vote cast in favour of a resolution by:

- (b) 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
- (c) 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
- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### ***Resolution 10 – Increase Non-Executive Remuneration***

##### ***Voting Exclusion:***

In accordance with the Corporations Act and ASX Listing Rules the Company will disregard any votes cast in favour of this resolution:

- (a) By the Directors and their associates, regardless of the capacity in which the vote is cast; or
- (b) As a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on this Resolution:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) 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
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## Annexure A

**MEDLAB CLINICAL LIMITED**  
**ACN 169 149 071**  
**('COMPANY')**

### **TERMS AND CONDITIONS OF ISSUE OF OPTIONS**

Each option (**'Option'**) shall entitle the holder of the Option (**'Option Holder'**) to subscribe for and be allotted one fully paid ordinary share (**'Share'**) in Medlab Clinical Limited ACN 169 149 071 (**'Company'**) on the terms and conditions set out below (**'Terms'**):

1. Each Option will be issued for nil consideration.
2. Unless the Company determines that shareholder approval is not required, the issue of each Option will be subject to shareholder approval for all purposes, including ASX Listing Rule 7.1 and 10.11 and Chapter 2E of the Corporations Act (where applicable).
3. Each Option is exercisable at any time after 31 January 2021 to a date up to and including 31 October 2022 (**'Option Period'**) and if the Option is not exercised on or prior to the expiry of the Option Period, the Option shall lapse.
4. The Options may be exercised wholly or in part by giving notice in writing (a proforma notice is attached to these Terms) (**'Notice of Exercise'**) to the board at any time during the Option Period.
5. Options shall only be exercisable in multiples of 100.
6. The exercise price for each Option, being \$0.18/\$0.20, (**'Exercise Price'**) is payable immediately on exercise.
7. The Company will not apply to any stock exchange for official quotation of the Options and has no obligation to apply to any stock exchange for the official quotation of the Shares.
8. If the Shares of the Company are quoted on the official list of ASX Limited ACN 008 624 691 (**'Official List'**)(**'Stock Exchange'**), the Company will apply to the Stock Exchange for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options. The Company gives no assurance that such quotation be granted.
9. Shares issued on the exercise of any Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the Company and will be subject to the provisions of the Constitution of the Company.
10. An Option does not confer rights to participate in new issues of securities of the Company, unless the Option Holder has first exercised the Option.
11. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

12. If during the currency of any Options and prior to their exercise the Company makes a bonus issue of securities to holders of the ordinary shares in the Company ('**Bonus Issue**'), then upon exercise of the Options a holder will be entitled to have issued to it (in addition to the ordinary shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to it under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
13. In the event of any pro-rata issue of securities (except a Bonus Issue) the exercise price of the Options will be adjusted in accordance with ASX Listing Rule 6.22.2.
14. If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement is made to holders of shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option Holder of the offer and from the date of such notification the Option Holder has 60 days within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options of arrangement. If the Options are not exercised within 60 days after the notification of the offer, the Options may be exercised at any other time according to their terms of issue. If an offer for the shares is made to shareholders of the Company pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option Holder will be entitled to exercise Options held by them within the period notified by the Company.
15. The Options are not transferable except with the prior written consent of the Company. If the Company consents to the transfer of the Options, the Company may impose any conditions, including a condition that the transferee agree to be bound by the Terms, that it in its sole discretion determines to be appropriate.
16. Notices may be given by the Company to the Option Holder in the manner prescribed by the Constitution of the Company for the giving of notices to the Shareholders of the Company and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option Holder.
17. The Option Holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, but will not have any right to attend or vote at these meetings.



## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

**Important Note:** Due to the rapidly evolving COVID-19 outbreak, Shareholders are encouraged to consider participating in the Meeting virtually or voting by proxy rather than attending the Meeting in person. More information regarding online participation at the Meeting (including how to vote and ask questions online during the Meeting) is available in the Virtual Attendance Instructions accompanying the Notice of Meeting.

## 2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Medlab Clinical Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chairman of the meeting **OR**



**PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 on Friday, 16 October 2020 at 10.00am AEST** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8 and 10 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman. I/we acknowledge the Chairman of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

### VOTING DIRECTIONS

#### Resolutions

	For	Against	Abstain*
1 Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Mr Michael Jack Hall as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Previous Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Appointment of Mr Laurence McAllister as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Options to Mr Laurence McAllister	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options to Dr Sean Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Options to Mr Michael Jack Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Options to Mr Drew Anthony Townsend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Increase Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Increase Non-Executive Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## COVID-19: MEDLAB CLINICAL LIMITED ANNUAL GENERAL MEETING

A live webcast and electronic voting via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) will be offered to allow Shareholders to listen to the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the website. Once logged in Shareholders may submit questions ahead of the Meeting via the portal from date the Notice of Meeting is issued. The Poll option will only be accessible during the meeting on the direction of the Chairman.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 5, 6, 7, 8 and 10, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 5, 6, 7, 8 and 10.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on a resolution where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00am AEST on 14 October 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033