

18 October 2021

Dear Shareholder

**Re: Notice of Annual General Meeting on Thursday, 18 November 2021 at 1.00pm (Melbourne time)**

Notice is hereby given that the Annual General Meeting of Shareholders of Paragon Care Limited ("**Company**") will be held virtually via a webinar conferencing facility at 1.00pm (Melbourne time) on Thursday, 18 November 2021 ("**Annual General Meeting**", "**AGM**" or "**Meeting**").

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, the Company will not be despatching physical copies of the Notice of Meeting. Instead, the Notice of Meeting and accompanying explanatory statement ("**Meeting Materials**") are being made available to shareholders electronically. This means that:

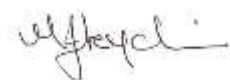
- You can access the Meeting Materials online at the Company's website <https://www.paragoncare.com.au/asx-announcements> or at or at the Company's share registry's online voting site.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "PGC".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.linkmarketservices.com.au/>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry, Link Market Services, on <https://www.linkmarketservices.com.au/> or by phone on 1300 554 474 (toll free within Australia) between 8.30am and 7.30pm Monday to Friday, to obtain a copy.

You are invited to register in advance for the Meeting through [https://us02web.zoom.us/webinar/register/WN\\_HZ0eUFksQQyY-RcUG63Acw](https://us02web.zoom.us/webinar/register/WN_HZ0eUFksQQyY-RcUG63Acw) following which you will receive a confirmation email containing information about joining the Meeting. Even if you plan to participate online, we encourage all shareholders to cast proxy votes beforehand and to lodge questions in respect of the AGM resolutions ahead of the Meeting at [info@paragoncare.com.au](mailto:info@paragoncare.com.au). Lodging questions and casting your proxy vote ahead of the Meeting will not prevent you from attending online.

Yours sincerely,



Melanie Leydin  
Company Secretary

# NOTICE OF 2021 ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

**Date of Meeting**

Thursday, 18 November 2021

**Time of Meeting**

1.00pm (AEDT)

Due to the ongoing COVID-19 pandemic, the Meeting will be held via video-conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001, no hard copy of the Notice of Annual General Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website (<https://paragoncare.com.au/investor-centre>).

**Paragon Care Limited**

ABN 76 064 551 426

Head Office  
Level 4, 96-100 Albert Road  
South Melbourne, VIC 3205, Australia

T \_ 1300 369 559  
F \_ +61 3 8833 7890  
[info@paragoncare.com.au](mailto:info@paragoncare.com.au)

# PARAGON CARE LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Paragon Care Limited (the **Company** or **PGC**) will be held by video-conferencing facility on Thursday, 18 November 2021 at 1.00pm (AEDT).

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions. The virtual meeting can be attended using the following details:

When:

Thursday, 18 November 2021 at 1.00pm (AEDT)

Topic:

PGC Annual General Meeting

Register in advance for the virtual meeting:

[https://us02web.zoom.us/webinar/register/WN\\_HZ0eUFksQQyY-RcUG63Acw](https://us02web.zoom.us/webinar/register/WN_HZ0eUFksQQyY-RcUG63Acw)

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the Meeting even if they are planning to attend the meeting online. To lodge your proxy, please follow the directions on your personalised proxy form.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [info@paragoncare.com.au](mailto:info@paragoncare.com.au). The Company will address relevant questions during the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: PGC) and on its website at <https://www.paragoncare.com.au/>.

# PARAGON CARE LIMITED

## AGENDA

### Items of Ordinary Business

#### Receipt and Consideration of Financial Statements and Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the financial year ended 30 June 2021.

*Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.*

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, 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, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2021 be adopted.”*

#### Resolution 2 – Re-election of Mr Geoffrey Joseph Sam OAM as a Director of Paragon Care Limited

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

*‘That Mr Geoffrey Joseph Sam OAM, being a Director who retires by rotation pursuant to the Company’s Constitution and being eligible for re-election, be re-elected as a Director of the Company’.*

#### Resolution 3 – Renewal of Paragon Care Limited Employee Incentive Plan

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

*“That, under and for the purposes of ASX Listing Rule 7.2 Exception 13(b), and for all other purposes including section 259B and 260C of the Corporations Act 2001 (Cth), approval is given for the Company to adopt an employee incentive plan, being the proposed “Employee Incentive Plan Rules” (EIP, with the terms as set out or described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

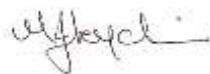
### Items of Special Business

#### Resolution 4 – Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That, under and for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

BY ORDER OF THE BOARD



**Melanie Leydin**  
Company Secretary  
18 October 2021

## VOTING EXCLUSION STATEMENT

RESOLUTION	PERSONS EXCLUDED FROM VOTING
Resolution 1	<p>In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this Resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (<b>KMP voter</b>), unless the KMP voter is casting a vote on this Resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:</p> <ul style="list-style-type: none"> <li>a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or</li> <li>b) the KMP voter is the Chair of the Meeting and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>a. does not specify the way the proxy is to vote on the Resolution; and</li> <li>b. expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.</li> </ul> </li> </ul> <p>If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</p> <p>If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change their voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.</p> <p>If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.</p>
Resolution 2	There are no voting exclusions on this Resolution.
Resolution 3	<p>The Company will disregard any votes cast in favour on this Resolution by or on behalf of a person who is eligible to participate in the EIP.</p> <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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: <ul style="list-style-type: none"> <li>a. 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</li> <li>b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li> </ul> </li> </ul> <p>Since this Resolution may be considered to relate to the remuneration of a member of the KMP for the Company, the Company will disregard all votes cast in favour of this Resolution by a member of the KMP or a Closely Related Party of a KMP, who has been appointed as a proxy.</p> <p>A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on this Resolution.</p>

Resolution 4	As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this resolution is not currently required by Listing Rule 7.3A.7.
<p><b>Restrictions on Key Management Personnel voting undirected proxies</b></p> <p>A vote must not be cast as proxy on any of Resolutions 1 or 3 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.</p> <p>However, a person described above (a “Restricted Voter”) may cast a vote on any of Resolutions 1 or 3 as a proxy if:</p> <ul style="list-style-type: none"> <li>a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); and</li> <li>b) The Chair is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chair to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.</li> </ul> <p>If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</p> <p>If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolutions 1 and 3, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolutions 1 and 3. In exceptional circumstances, the Chair may change his or her voting intention on the Resolutions, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolutions or to abstain from voting.</p> <p>If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.</p>	

## Notes

### 1. Voting by Proxy

If you are a Shareholder entitled to attend and vote you may, subject to the Corporations Act, including sections 250R and 250BD, appoint an individual or a body corporate as a proxy.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a Shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.

To be effective, the proxy form must be received at the Share Registry of the Company no later than 1.00pm (AEDT) on 16 November 2021 (48 hours before the commencement of the Meeting). Proxies must be received before that time by one of the following methods:

**Online:** Shareholders may lodge their proxy votes online at: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

To lodge your proxy vote online, you will need your Security holder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the proxy form.

**By post:** Paragon Care Limited  
c/-Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

**By facsimile:** +61 (02) 9287 0309  
**By hand to:** Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

OR

Level 12  
680 George Street  
Sydney NSW 2000  
\*During business hours (Monday to Friday, 9:00am–5:00pm)

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

If you have any queries regarding casting of votes via a proxy, please call Link Market Services Limited on 1300 554 474 during business hours.

## **2. Voting by Attorney**

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Share Registry no later than 1.00pm (AEDT) on 16 November 2021.

## **3. Corporate representatives**

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative must, prior to or at the AGM, provide to the Company a properly executed letter or other document confirming its authority to act as the company's representative.

## **4. Record date**

The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that for the purpose of voting at the Meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (AEDT) on 16 November 2021.

## **5. Questions and Comments by Shareholders at the Annual General Meeting**

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders to ask questions about or make comments on the management of the Company at the AGM. Similarly, a reasonable opportunity will be given to Shareholders to ask the Company's external Auditor, RSM Australia, questions relevant to:

- (a) The conduct of the audit;
- (b) The preparation and content of the Auditors' Report;
- (c) The accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) The independence of the Auditor in relation to the conduct of the audit.

Please submit any written questions addressed to the Company or its external Auditors to Paragon Care Limited, Level 4, 96-100 Albert Road, South Melbourne, VIC 3205, or on [info@paragoncare.com.au](mailto:info@paragoncare.com.au) no later than 5.00pm (AEDT) on 11 November 2021.

The Company or its external Auditor will either answer the questions at the AGM or table written answers to them at the AGM. If written answers are tabled at the AGM, they will be made available to Shareholders as soon as practicable after the AGM.

# EXPLANATORY STATEMENT

## 1. Introduction

### General

This Explanatory Statement has been prepared for the information of members of the Company in connection with the business to be conducted at the Annual General Meeting and provide a detailed explanation about each resolution set out in the Notice of Meeting. This Explanatory Statement forms part of the Notice of Meeting and must be read together with that notice.

### Purpose

The purpose of the Annual General Meeting is to consider and vote on the resolutions.

### Entire Document

Members are encouraged to read this document in its entirety before deciding on how to vote on the resolutions being considered at the Annual General Meeting. If you have any doubt about how to deal with this document, please consult your legal, financial or another professional advisor.

### Glossary

Certain terms and abbreviations used in this Explanatory Statement have defined meanings, which are set out in the Glossary.

## 2. Business of the Annual General Meeting

### Receipt and Consideration of Financial Statements and Reports

A copy of the Annual Report for the financial year ended 30 June 2021 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) may be obtained at [www.paragoncare.com.au](http://www.paragoncare.com.au) or via the Company's announcement platform on ASX. You may obtain a copy free of charge in hard copy form by contacting the Share Registry by phone at 1300 554 474, and you may request that this occurs on a standing basis for future years.

Except as set out in Resolution 1, no resolution is required on these reports.

### Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2021 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty-five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.



### **Board Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this Resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this Resolution, the Board encourage all eligible shareholders to cast their votes in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

### **Voting Exclusions**

A voting inclusion has been provided in this Notice of Meeting.

### **Resolution 2 - Re-election of Mr Geoffrey Joseph Sam OAM as a Director of Paragon Care Limited**

Clause 3.6 of the Constitution requires that at every Annual General Meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 3.6 of the Constitution is eligible for re-election. Mr Geoffrey Joseph Sam is retiring at this Meeting under that clause.

Mr Sam has a distinguished career in the Australian health sector. He is currently the Co-Founder and Director of HealtheCare, a private hospital group comprising 35 hospitals and a community nursing and rehabilitation centre throughout Australia. Mr Sam has held senior roles with profit and not-for-profit hospital groups, including serving as the CEO and MD of ASX-listed Nova Health Limited and as the CEO of the Adelaide Community Health Alliance. Mr Sam has held previous NED positions on listed companies including Hutchinson Childcare, Money 3 and currently EarlyPay Ltd (ASX: EPY). Mr Sam's special areas of expertise include corporate strategic positioning and corporate governance.

### **Board Recommendation**

The Board (with Mr Geoffrey Joseph Sam OAM abstaining) recommends that Shareholders vote in favour of this Resolution to re-elect Mr Geoffrey Joseph Sam as a Director of the Company.

### **Voting Exclusions**

There are no voting exclusions on this Resolution.

### **Resolution 3 – Renewal of Paragon Care Limited Employee Incentive Plan**

#### **Background**

Shareholder approval is being sought for the adoption of Paragon Care Limited Employee Incentive Plan (EIP), as initially approved by Shareholders at the Company's Annual General Meeting on 20 November 2018.

The EIP was developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available in respect of various new equity schemes. The EIP enables the Company to offer employees a range of different employee share scheme (ESS) interests. These ESS interests or 'awards' include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The type of ESS interest that may be offered to employees will be determined by numerous factors, including:

- a) the remuneration or incentive purpose of the award;
- b) the tax jurisdiction that the participating employee lives and/or works in;
- c) the laws governing equity incentives where the participating employee lives and/or works; and
- d) the logistics and compliance costs associated with offering equity incentives where the participating employee lives and/or works.

No directors or their associates can or will be issued shares, options or other securities or rights under the EIP unless shareholder approval of specific issues to them is obtained. Under the EIP the Company may acquire shares on market to be held on trust for directors or their associates.

The maximum number of equity securities proposed to be issued under the EIP follow the approval of Resolution 4 is the greater of 33 million equity securities (shares, options or other rights including performance rights each conditionally entitling the applicable holder to one fully paid ordinary shares upon exercise or achievement of the applicable milestone) or the number of equity securities which is equal to 5% of the number of issued ordinary shares of the Company at the time of the applicable issue. This number includes 16.5 million equity securities which the Company may issue to senior executives who are not directors of the Company. Any additional issues under the Plan above that number would require further shareholder approval.

If this Resolution is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the EIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under ASX Listing Rule 7.1 during the next three-year period.

If this Resolution is not approved by Shareholders, any securities issued by the Company will be automatically included in the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under ASX Listing Rule 7.1.

### **ASX Listing Rules**

ASX Listing Rule 7.1 states that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 exception 13 provides an exception to ASX Listing Rule 7.1 for securities issued under an employee incentive scheme within 3 years after shareholder approval of the scheme. The Company therefore seeks approval of the EIP under ASX Listing Rule 7.2 Exception 13 so that issues of securities under the EIP do not impede the capacity of the Company to issue up to a further 15% of its capital without shareholder approval.

As at the date of this Notice of Meeting, 11,789,134 unquoted Performance Rights have been issued under the EIP since it was last adopted on 20 November 2018. No other securities have been issued under the EIP.

A summary of the key terms of the EIP is set out in Appendix 1 and a copy of the EIP is available upon request from the Company.

### **Board Recommendation**

As the Directors of the Company are excluded from voting pursuant to the Listing Rules, they make no recommendation to the shareholders in respect of the EIP.

The Chair in his capacity as proxy holder intends to vote undirected proxies in favour of approving this Resolution.

### **Voting Exclusions**

A voting inclusion has been provided in this Notice of Meeting.

## **Resolution 4 – Approval of 10% Placement Capacity**

### **Background**

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

Listing Rule 7.1A enables an eligible entity to issue up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement 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 of \$300 million or less. The Company is, at the date of this Notice, an eligible entity. Note however that if, on the date of this Meeting, the market capitalisation of the Company exceeds \$300 million or the Company has been included in the S&P/ASX 300 Index, then this Resolution will no longer be effective and will be withdrawn.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue equity securities under the 10% Placement Capacity. The effect of this Resolution is to allow the Directors to issue equity securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without, or in addition to, using the Company's 15% placement capacity under Listing Rule 7.1.

#### **Placement Period**

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A commences on the date of this Annual General Meeting and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of this Annual General Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),  
**(10% Placement Period).**

The Company will only issue and allot the equity securities approved under the 10% Placement Capacity during the 10% Placement Period.

#### **Outcome of this Resolution**

If Shareholders approve this Resolution:

- the number of equity securities permitted to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below); and
- the Company will be able to issue equity securities up to the combined 25% limits in Listing Rules 7.1 and 7.1A without 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 10% Placement Capacity**

The maximum number of equity securities that may be issued by the Company under the 10% Placement Capacity pursuant to Listing Rule 7.1A2 is calculated in accordance with the following formula:

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

**A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**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 Listing Rule 7.1 or 7.4.

The ability of an entity to issue equity securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula stated above.

#### **Type and number of equity securities**

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at date of this Notice, has on issue two classes of quoted equity securities, being Shares and unquoted performance rights, as follows:

- 351,400,699 Shares; and
- 11,115,939 unquoted performance rights.

#### Minimum issue price and cash consideration

The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

#### Purpose of the funds raised

The purposes for which the funds raised by an issue under the 10% Placement Capacity may be used by the Company include:

- i. consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
- ii. continued expenditure on the Company's current business and/or general working capital.

#### Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the dilution table below.

Shareholders may be exposed to economic risk and voting dilution, including the following:

- i. the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Annual General Meeting; and
- ii. the equity securities may be issued at a price that is at a discount 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 the equity securities.

The dilution table shows the hypothetical dilution of existing Shareholders on the basis of the market price of Shares as at 1 October 2021 (**Current Share Price**) and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The dilution table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2	Share price	Dilution		
		\$0.0.160 Half Current Price	\$0.32 Current Price	\$0.640 Double Current Price
Current Variable A 351,400,699 Shares	10% Voting Dilution	35,140,070	35,140,070	35,140,070
	Funds raised	\$5,622,411	\$11,244,822	\$22,489,645
50% increase in Variable A 527,101,049 Shares	10% Voting Dilution	52,710,105	52,710,105	52,710,105
	Funds raised	\$8,433,617	\$16,867,234	\$33,734,467
100% increase in Variable A 702,801,398 Shares	10% Voting Dilution	70,280,140	70,280,140	70,280,140
	Funds raised	\$11,244,822	\$22,489,645	\$44,979,289

This dilution table has been prepared on the following assumptions:

- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- No Options (including any Options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the equity securities.
- 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%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of equity securities under the 10% Placement Capacity consists only of Shares. If the issue of equity securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.32 (32 cents), being the closing price of the Shares on ASX on 1 October 2021.

#### **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- i. the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
- ii. the effect of the issue of the equity securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

#### **Previous Issues**

The Company:

- i. has not issued, nor agreed to issue, any equity securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
- ii. had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any equity securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

#### **Special Resolution**

The ability to issue equity securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution. This means it requires approval of 75% of the votes cast by Shareholders present or represented, and eligible to vote.

#### **Board Recommendation**

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that shareholders vote in favour of this Resolution. **The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.**

#### **Voting Exclusions**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

#### **Disclosure**

The Company considers this Explanatory Statement to contain all material information known to it that could reasonably be required by a Shareholder in deciding how to vote on the proposed resolution other than information that would be unreasonable to require the Company to disclose because it has previously disclosed that information to Shareholders.

## GLOSSARY

**\$** means Australian Dollars.

**10% Placement Capacity** has the meaning as defined in the Explanatory Statement for Resolution 5;

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.

**AEDT** means Australian Eastern Daylight Time.

**AGM** or **Annual General Meeting** means the Annual General Meeting of the Company which is the subject of this Notice of Meeting.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as the context requires.

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

**Board** means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- a) a spouse or child of the member; or
- b) has the meaning given in section 9 of the Corporations Act.

**Company** or **PGC** means Paragon Care Limited ABN 76 064 551 426.

**Constitution** means the constitution of the Company as amended from time to time.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the explanatory statement which forms part of this Notice.

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

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the Listing Rules of ASX, as amended from time to time.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Member** has the same meaning as a Shareholder.

**Notice** or **Notice of Meeting** means the Notice of Annual General Meeting of the Company.

**Proxy Form** means the proxy form attached to the Notice;

**Remuneration Report** means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2021 and which is set out in the 2021 Annual Report.

**Resolution** means a resolution to be put to Paragon Care Limited Shareholders at the AGM, as set out in the Notice of Meeting.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means shareholder of the Company.

**Share Registry** means Link Market Services Limited (ACN 083 214 537) or any other person appointed as registrar of the register of members of the Company from time to time.

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

**VWAP** means volume weighted average price.

## APPENDIX 1 – SUMMARY OF EIP KEY TERMS

### **Eligibility**

The Board has the discretion to determine which employees are eligible to participate in the EIP. The definition of employee under the rules of the EIP includes any full time or permanent part time employee or officer or director of the Company or any related body corporate of the Company.

### **Vesting conditions**

The vesting of any securities issued under the EIP, excluding Exempt Shares, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

### **Exercise of securities**

Vested securities issued under the EIP may not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.

### **Price**

Securities issued under the EIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

### **Lapse/forfeiture**

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the securities;
- any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the EIP; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

### **Board may elect to settle in cash**

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, the Paragon Care may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

### **Waiving the restricted period**

The Board may waive or shorten the restriction period applicable to securities issued under the EIP, as contained in the offer to the participant.

### **Change of Control**

On the occurrence of a Change of Control (as defined in the rules of the EIP), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

### **Cessation of employment**

All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

### **No dealing or hedging**

Dealing restrictions apply to securities issued under the EIP in accordance with the rules of the EIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

### **Rights attaching to Shares**

Shares issued under the plan will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

### **Company may issue or acquire shares**

Company may, in its discretion, either issue new shares or acquire shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.



**Adjustments**

Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the EIP, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

**Limits on securities issued**

The number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous 3 years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous five years under any such employee share scheme), must not exceed 5% of the total number of shares on issue, disregarding certain unregulated offers.

**Continued operation of the plan**

The plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Paragon Care Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

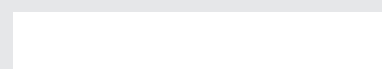
I/We being a member(s) of Paragon Care Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the General Meeting of the Company to be held virtually at **1:00pm (AEDT) on Thursday, 18 November 2021 via video-conferencing facility** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted virtually via video-conferencing facility and you can participate by registering your attendance online at [https://us02web.zoom.us/webinar/register/WN\\_HZ0eUFksQQyY-RcUG63Acw](https://us02web.zoom.us/webinar/register/WN_HZ0eUFksQQyY-RcUG63Acw), following which you will receive the dial-in details of the Meeting. You can view and download the **Notice of Annual General Meeting and Explanatory Statement** at the Company's website at <https://www.paragoncare.com.au/asx-announcements> and on the Australian Stock Exchange Announcement Platform

**Important for Resolutions 1 and 3:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

For Against Abstain\*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Re-election of Mr Geoffrey Joseph Sam OAM as a Director of Paragon Care Limited

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Renewal of Paragon Care Limited Employee Incentive Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Approval of Additional Capacity to Issue Shares under ASX Listing Rule 7.1A

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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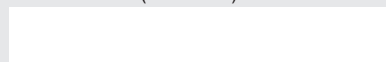
\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

### 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, both shareholders have to 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).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second 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
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, both shareholders have to sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm (AEDT) on Tuesday, 16 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Paragon Care Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions