
PAINCHEK LIMITED

ACN 146 035 127

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2pm (WST)

DATE: Wednesday, 20 November 2019

PLACE: Country Women's Association of WA, Board Room
1176 Hay Street, West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 8290.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (WST) on Wednesday, 20 November 2019 at:

Country Women's Association of WA, Board Room
1176 Hay Street, West Perth WA 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting 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 Annual General Meeting are those who are registered Shareholders at 5.00pm (WST) on 18 November 2019.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

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

Voting Exclusion Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ADAM DAVEY

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

"That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Mr Adam Davey, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the Shares (on issue at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participated in or who will obtain a material benefit as a result of the proposed issue or an associate of that person, except a benefit solely by reason of being a Shareholder. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 - RATIFY PAST ISSUE OF EQUITY SECURITIES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby approve and ratify the issue of 28,620,690 Shares and 14,310,345 options to various professional and sophisticated investor clients and shareholders made on 21 June 2019 and 29 July 2019 in the manner and on the terms and conditions contained in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR ROSS HARRICKS

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to issue Performance Rights in three annual awards of \$20,000 to the total value of \$60,000 to Ross Harricks (or his nominee) under the LTI Plan and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or an associate of any Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR ADAM DAVEY

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to issue Performance Rights in three annual awards of \$20,000 to the total value of \$60,000 to Adam Davey (or his nominee) under the LTI Plan and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or any associate of any Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR JOHN MURRAY

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to issue Performance Rights in three annual awards of \$40,000 to the total value of \$120,000 to John Murray (or his nominee) under the LTI Plan and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or any associate of any Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR PHILIP DAFFAS

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Directors to issue Performance Rights in three annual awards of \$200,000 to the total value of \$600,000 to Philip Daffas (or his nominee) under the LTI Plan and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or any associate of any Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – INCREASE THE NON-EXECUTIVE DIRECTOR REMUNERATION POOL TO \$400,000

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

"That for the purposes of clause 11.14 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors from \$250,000 per annum to \$400,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director or an associate of any Director. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and

- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – AMENDMENT TO THE TERMS AND CONDITIONS OF THE 2016 OPTIONS

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

“That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 6.23.4 and for all other purposes, approval is given to amend the implied definition of "revenue" contained in the 2016 Options terms and conditions as set out in the Explanatory Statement such that:

- a) 13,666,387 Options held by Philip Daffas may now vest;*
- b) 8,199,832 Options held by John Murray may now vest;*
- c) 4,099,916 Options held by Adam Davey may now vest; and*
- d) 4,099,916 Options held by Ross Harricks may now vest.”*

Voting Exclusion Statement of section 224 of the Corporations Act:

For the purposes of Part 2E of the Corporations Act, a vote on Resolution 10(a), 10(b), 10(c) and 10(d) must not be cast (in any capacity) by or on behalf of:

- (a) Any director; or
- (b) an associate of any director.

However, this does not prevent the casting of a vote on Resolution 10(a), 10(b), 10(c) or 10(d) if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of a person referred to in sub-paragraphs (a) or (b) above.

Voting Prohibition Statement of section 250BD 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 Key Management Personnel; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 9 OCTOBER 2019
BY ORDER OF THE BOARD



IAN HOBSON
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with clause 9.5 of the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.painchek.com

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

Section 249L(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) expressly provides that such a resolution is advisory only and does not bind the Directors or the Company.

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 financial year ending 30 June 2019.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under Part 2G.2, Division 9 of the Corporations Act, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.3 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

2.3.1 If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote.** Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

2.3.2 If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1.

By signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.3.3 If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote.

2.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ADAM DAVEY

ASX Listing Rule 14.4 and clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Clause 11.5 of the Constitution provides that the Director to retire at an annual general meeting is the director who has been longest in office since their last election. Clause 11.4 of the Constitution provides that a Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Company currently has 4 Directors (including 1 Managing Director) and accordingly 1 must retire.

Mr Adam Davey, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Davey's expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties. Mr Davey is a Director of Wealth Management at Patersons Securities. Mr Davey has been involved in significantly growing businesses in both the industrial and mining sector. This has been achieved through holding various roles within different organisations, including chairman, managing director, non-executive director, major shareholder and corporate adviser to the board.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity as defined in section 4.2 below, may seek Shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital at the time of the issue over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of equity securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 3 will be to allow the Directors to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue at the time of the issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

ASX Listing Rule 7.1A.4 provides that if and when the Company utilises the 10% Placement Capacity within the 12 months following the AGM, assuming Resolution 3 is passed, the Company will be required to give ASX details of who will be issued the equity securities and how many equity securities they each received. In addition, the Company will be required to release by way of ASX announcement the information set out in ASX Listing Rule 3.10.5A, namely:

- (a) details about the dilution to the existing Shareholders caused by the issue of equity securities under the 10% Placement Capacity;
- (b) if cash is raised, an explanation why a pro rata issue or other type of issue allowing existing shareholders to participate was not adopted instead of or as well as using the 10% Placement Capacity;
- (c) details about any underwriting and underwriting fees paid; and
- (d) details about any other fees or costs incurred in connection with the issue of equity securities under the 10% Placement Capacity.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue equity securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$274 million.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of equity securities on issue, being the Shares (ASX Code: PCK).

The exact number of equity securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$\frac{(A \times D) - E}{A}$$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rule 7.1 or 7.4; and
- (D) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

4.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX 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; or
- (ii) if the equity securities are not issued within 5 ASX trading days of the date in Section 4.3(a)(i), the date on which the equity securities are issued.

(b) **Date of Issue**

The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (ii) 12 months after the date of this Meeting; and
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) **Risk of economic and voting dilution**

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of equity securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.135	\$0.270	\$0.405
		50% decrease in Issue Price	Current Issue Price	50% increase in Issue Price
937,305,279 (Current)	Shares issued	93,730,528 Shares	93,730,528 Shares	93,730,528 Shares
	Funds raised	\$12,653,621	\$25,307,243	\$37,960,864
1,405,957,919 (50% increase)	Shares issued	140,595,792 Shares	140,595,792 Shares	140,595,792 Shares
	Funds raised	\$18,980,432	\$37,960,864	\$56,941,296
1,874,610,558 (100% increase)	Shares issued	187,461,056 Shares	187,461,056 Shares	187,461,056 Shares
	Funds raised	\$25,307,243	\$50,614,485	\$75,921,728

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. the current shares on issue are the Shares on issue as at 27 September 2019;
2. the issue price set out above is the closing price of the Shares on the ASX on 27 September 2019;
3. the Company issues the maximum possible number of equity securities under the 10% Placement Capacity;
4. the Company has not issued any equity securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
5. the calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
6. this table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1;

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue equity securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for general working capital and business expansion; or
- (ii) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of equity securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The person being issued the equity securities which is yet to be issued under the 10% Placement Capacity have not yet been determined. However, the person being issued the equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the person to be issued the equity securities at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 21 November 2018.

In accordance with ASX Listing Rule 7.3A.6 the total number of equity securities issued in the 12 months preceding the date of this meeting is 48,961,462 representing 4.8% of the equity securities on issue at the commencement of the 12 month period, excluding the exercise of existing options.

The Company has issued the following equity securities in the 12 months preceding the date of this meeting, including option exercises:

Issue #1	
Date of issue:	1 st March 2019
Number issued:	1,500,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	36%
For cash issue	
Total cash consideration received:	\$37,500
Amount of cash consideration spent:	\$37,500
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #2	
Date of issue:	2 nd April 2019
Number issued:	6,250,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	43%
For cash issue	
Total cash consideration received:	\$125,000
Amount of cash consideration spent:	\$125,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #3	
Date of issue:	2 nd April 2019
Number issued:	7,500,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	29%
For cash issue	
Total cash consideration received:	\$187,500
Amount of cash consideration spent:	\$187,500
Use of cash consideration:	Working Capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A

Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A
Issue #4	
Date of issue:	12 th April 2019
Number issued:	2,000,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	29%
For cash issue	
Total cash consideration received:	\$50,000
Amount of cash consideration spent:	\$50,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A
Issue #5	
Date of issue:	30 th April 2019
Number Issued:	1,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	71%
For cash issue	
Total cash consideration received:	\$20,000
Amount of cash consideration spent:	\$20,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A
Issue #6	
Date of issue:	1 st May 2019
Number issued:	2,500,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	67%
For cash issue	
Total cash consideration received:	\$50,000
Amount of cash consideration spent:	\$50,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #7	
Date of issue:	1 st May 2019
Number issued:	1,332,500
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	58%
For cash issue	
Total cash consideration received:	\$33,312.50
Amount of cash consideration spent:	\$33,312.50
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #8	
Date of issue:	6 th May 2019
Number issued:	4,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holder
Price:	\$0.02
Discount to market price (if any):	65%
For cash issue	
Total cash consideration received:	\$80,000
Amount of cash consideration spent:	\$80,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #9	
Date of issue:	6 th May 2019
Number issued:	3,250,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holder
Price:	\$0.025
Discount to market price (if any):	56%
For cash issue	
Total cash consideration received:	\$81,250
Amount of cash consideration spent:	\$81,250
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #10	
Date of issue:	9 th May 2019
Number issued:	1,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	71%
For cash issue	
Total cash consideration received:	\$20,000
Amount of cash consideration spent:	\$20,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #11	
Date of issue:	9 th May 2019
Number issued:	1,045,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	64%
For cash issue	
Total cash consideration received:	\$26,125
Amount of cash consideration spent:	\$26,125
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #12	
Date of issue:	10 th May 2019
Number issued:	4,000,000
Class/Type of equity Security:	Unlisted Options
Summary of Terms:	Unlisted options exercisable at \$0.032 expiring 9 November 2023
Name of persons who received securities or basis on which those persons was determined:	Employees
Price:	NIL
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Nil
Purpose of the issue:	Employee

	Incentive
Current value of that non-cash consideration:	\$997,129

Issue #13	
Date of issue:	28 th May 2019
Number issued:	3,750,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	86%
For cash issue	
Total cash consideration received:	\$75,000
Amount of cash consideration spent:	\$75,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #14	
Date of issue:	4 th June 2019
Number issued:	2,350,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	87%
For cash issue	
Total cash consideration received:	\$47,000
Amount of cash consideration spent:	\$47,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #15	
Date of issue:	4 th June 2019
Number issued:	1,635,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	83%
For cash issue	
Total cash consideration received:	\$40,875
Amount of cash consideration spent:	\$40,875
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A

Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #16	
Date of issue:	20 th June 2019
Number issued:	2,500,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.02
Discount to market price (if any):	89%
For cash issue	
Total cash consideration received:	\$50,000
Amount of cash consideration spent:	\$50,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #17	
Date of issue:	20 th June 2019
Number issued:	1,787,500
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	86%
For cash issue	
Total cash consideration received:	\$44,687.50
Amount of cash consideration spent:	\$44,687.50
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #18	
Date of issue:	21 st June 2019
Number issued:	a) 21,724,138 ordinary shares, and b) 10,862,069 free attaching options
Class/Type of equity Security:	a) Ordinary Shares b) Unlisted options
Summary of Terms:	a) Fully paid ordinary shares b) Free attaching unlisted options exercisable at \$0.25 per share and expiring 30 June 2022
Name of persons who received securities or basis on which	Sophisticated

those persons was determined:	Investors
Price:	\$0.145
Discount to market price (if any):	22%
For cash issue	
Total cash consideration received:	\$3,150,000
Amount of cash consideration spent:	\$Nil
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #19	
Date of issue:	26 th June 2019
Number issued:	2,400,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	86%
For cash issue	
Total cash consideration received:	\$60,000
Amount of cash consideration spent:	\$60,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #20	
Date of issue:	28 th June 2019
Number issued:	1,250,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	88%
For cash issue	
Total cash consideration received:	\$31,250
Amount of cash consideration spent:	\$31,250
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #21	
Date of issue:	22 nd July 2019
Number issued:	600,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which	Option holders

those persons was determined:	
Price:	\$0.025
Discount to market price (if any):	85%
For cash issue	
Total cash consideration received:	\$15,000
Amount of cash consideration spent:	\$15,000
Use of cash consideration:	Working capital
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #22	
Date of issue:	29 th July 2019
Number issued:	a) 6,969,552 ordinary shares, and b) 3,448,276 free attaching options
Class/Type of equity Security:	a) Ordinary Shares b) Unlisted options
Summary of Terms:	a) Fully paid ordinary shares b) Free attaching unlisted options exercisable at \$0.25 per share and expiring 30 June 2022
Name of persons who received securities or basis on which those persons was determined:	Sophisticated Investors
Price:	\$0.145
Discount to market price (if any):	12%
For cash issue	
Total cash consideration received:	\$1,000,000
Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #23	
Date of issue:	12 th September 2019
Number issued:	1,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.025
Discount to market price (if any):	91%
For cash issue	
Total cash consideration received:	\$25,000
Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A

Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #24	
Date of issue:	19 th September 2019
Number issued:	600,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.020
Discount to market price (if any):	94%
For cash issue	
Total cash consideration received:	\$25,000
Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #25	
Date of issue:	25 th September 2019
Number issued:	7,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	4,500,000 @ \$0.020; 2,500,000 @ \$0.02
Discount to market price (if any):	91%
For cash issue	
Total cash consideration received:	\$152,500
Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #26	
Date of issue:	26 th September 2019
Number issued:	6,000,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	\$0.020
Discount to market price (if any):	93%
For cash issue	
Total cash consideration received:	\$150,000

Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #27	
Date of issue:	27 th September 2019
Number issued:	8,500,000
Class/Type of equity Security:	Ordinary Shares
Summary of Terms:	Exercise of Options
Name of persons who received securities or basis on which those persons was determined:	Option holders
Price:	2,000,000 @ \$0.020; 6,500,000 @ \$0.02
Discount to market price (if any):	93%
For cash issue	
Total cash consideration received:	\$202,500
Amount of cash consideration spent:	Nil
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	Working Capital
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

4.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

4.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFY THE PAST ISSUE OF EQUITY SECURITIES

5.1 General

As announced by the Company on 19 June 2019, the Company received firm acceptances for the placement of 28,620,690 Shares and 14,310,345 free attaching options at an issue price of \$0.145, to professional and sophisticated investors who comprise existing shareholders and other investors known to the Company to raise \$4,150,000 (before issue costs) in working capital (**Placement**).

Resolution 4 seeks ratification and approval by Shareholders under ASX Listing Rule 7.4 for the issue of 28,620,690 Shares and 14,310,345 options to various professional and sophisticated investor clients and shareholders on 21 June 2019 and 29 July 2019.

The purpose of seeking Shareholder approval and ratification of the issue of the Shares in Resolution 4 is to refresh the Company's 15% issuing capacity under ASX Listing Rule 7.1.

5.2 ASX Listing Rule information

In accordance with the disclosure requirements of ASX Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issue of the Shares in Resolution 4:

- (a) the Shares were issued at a price of \$0.145 per Share;
- (b) the Shares issued are fully paid ordinary shares that rank equally with all existing Shares; and
- (c) the options are unlisted and are exercisable at \$0.25 expiring on 30th June 2022. The full terms of the options are set out in Schedule 3.

Issue Date	Ordinary Shares	Free attaching options	Funds Received
21 June 2019	21,724,138	10,862,069	\$3,150,000
29 July 2019	6,896,552	3,448,276	\$1,000,000
Total	28,620,690	14,310,345	\$4,150,000

5.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

6. RESOLUTIONS 5 TO 7 – APPROVAL OF NON-EXECUTIVE DIRECTOR PERFORMANCE RIGHTS

6.1 General

In August 2019, the Company commissioned a review of its director remuneration from an independent remuneration consultant to benchmark current director remuneration to comparable companies. The report recommended that the Company's non-executive director remuneration be supplemented with the following annual grant of Performance Rights for the financial years ended 30 June 2019, 2020 and 2021:

Director	Current Fee	New Performance Rights	Total New Remuneration	% Increase
John Murray	\$ 80,000	\$ 40,000	\$ 120,000	50%
Adam Davey	\$ 40,000	\$ 20,000	\$ 60,000	50%
Ross Harricks	\$ 40,000	\$ 20,000	\$ 60,000	50%
	\$ 160,000	\$ 80,000	\$ 240,000	50%

The median total statutory remuneration of \$120,000 for the Chairman represents 120% of the median total statutory remuneration of \$100,000 benchmark in the

Health and IT sector for companies with a market capitalisation of between \$50 million and \$200 million.

The median total statutory remuneration of \$60,000 for a non-executive director represents 99% of the median total statutory remuneration of \$60,857 benchmark in the Health and IT sector for companies with a market capitalisation of between \$50 million and \$200 million. Subject to Shareholder approval, the Performance Rights are to be issued according to the following principles and terms:

- (a) each non-executive director will in each end of financial year on 30 June 2020, 2021 and 2022 receive 1/3 of their total annual remuneration in Performance Rights subject to shareholder approval;
- (b) the number of Performance Rights issued for a year will be calculated based on the VWAP of the Company's ordinary shares calculated 5 days either side of and including the date of announcement of the company's annual statutory results for the financial year;
- (c) Performance Rights will vest at 30 June each subsequent year - being the end of the financial year subject to the director remaining a director of the Company at that date;
- (d) each Performance Right has the conditional right to acquire one Share;
- (e) the Performance rights are issued for Nil consideration;
- (f) the Performance Rights expire 3 months after the vesting date;
- (g) the Performance Rights are subject to the terms and conditions of the LTI Plan; and
- (h) the below table summarises the position:

Remuneration for year ended 30 June	Share price calculation date (estimated)	Grant / issue date	Vesting date	Likely date that Performance Rights will convert to shares	Expiry Date of Performance Rights if not converted to shares
2020	5/09/2019	30 November 2019 after shareholder approval	30/06/2020	30/07/2020	30/09/2020
2021	5/09/2020	30/09/2020	30/06/2021	30/07/2021	30/09/2021
2022	5/09/2021	30/09/2021	30/06/2022	30/07/2022	30/09/2022

6.2 Calculation of the Number of Performance Rights

As noted in section 6.1 above, the number of Performance Rights to be issued to the non-executive Directors each year will depend on the VWAP of the Company's ordinary shares calculated 5 days either side of and including the date of announcement of the company's annual statutory results for the financial year preceding the financial year of the grant of the Performance Rights.

The following table shows the calculation of the Performance Rights to be issued as part of the Director remuneration for holding office during FY20 and vesting on 30 June 2020 if the Director remains in office:

Name	Annual Value of Performance Rights	Share price calculated based on the VWAP 5 days (and including the day of) either side of FY19 statutory results	No. of Performance Rights that vest on 30 June 2020
Mr John Murray	\$40,000	\$0.2143	186,654
Mr Adam Davey	\$20,000	\$0.2143	93,327
Mr Ross Harricks	\$20,000	\$0.2143	93,327

The following table shows an example of the calculation of the Performance Rights to be issued as part of the Director remuneration for holding office during FY21 and vesting on 30 June 2021 (if the Director remains in office):

Name	Annual Value of Performance Rights	No. of Performance Rights that vest on 30 June 2021 based on an issue price of \$0.2679 representing the VWAP 5 days either side of (and including the day of) FY20 statutory results which would represent a 25% increase on the FY19 Share price	No. of Performance Rights that vest on 30 June 2021 based on an issue price of \$0.2143 representing the VWAP 5 days either side of (and including the day of) FY20 statutory results which would represent no change from the FY19 Share price	No. of Performance Rights that vest on 30 June 2021 based on an issue price of \$0.1607 representing the VWAP 5 days either side of (and including the day of) FY20 statutory results which would represent a 25% decrease on the FY19 Share price
Mr John Murray	\$40,000	149,323	186,654	248,872
Mr Adam Davey	\$20,000	74,662	93,327	124,436
Mr Ross Harricks	\$20,000	74,662	93,327	124,436

The following table shows an example of the calculation of the Performance Rights to be issued as part of the Director remuneration for holding office for FY22 and vesting on 30 June 2022 (if the Director remains in office):

Name	Annual Value of Performance Rights	Performance Rights that vest on 30 June 2022 based on an issue price of \$0.3214 representing the VWAP 5 days either side of (and including the day of) FY21 statutory results which would represent a 50% increase on the FY19 Share price	No. of Performance Rights that vest on 30 June 2022 based on an issue price of \$0.2143 representing the VWAP 5 days either side of (and including the day of) FY21 statutory results which would represent no change from the FY19 Share price	No. of Performance Rights that vest on 30 June 2021 based on an issue price of \$0.1072 representing the VWAP 5 days either side of (and including the day of) FY21 statutory results which would represent a 50% decrease on the FY19 Share price
Mr John Murray	\$40,000	124,436	186,654	373,308
Mr Adam Davey	\$20,000	62,218	93,327	186,654
Mr Ross Harricks	\$20,000	62,218	93,327	186,654

6.3 Long Term Incentive Plan

The LTI Plan provides for the issuance of Performance Rights or Options (**Awards**) to directors, full-time and part-time employees as well as consultants and contractors of the Company and its subsidiaries. The form and implementation of the LTI Plan was approved by the Board on 27 August 2015 and by the company's Shareholders at the annual general meeting on 7 October 2015 and subsequently at the annual general meeting on 20 November 2018.

The key features of the LTI Plan are as follows:

- (a) the Board may offer Awards under the LTI Plan to full-time or part-time employees, directors, consultants and/or contractors of any member of the Company's group (being the Company and its subsidiaries) (a holder of securities under the LTI Plan being a participant);
- (b) each Award represents a conditional right to be issued or transferred one or more Shares;
- (c) there is no fee payable by the participant on the grant of the Awards;

- (d) an Award may only be exercised when the vesting conditions, as determined by the Board, attaching to that Award have been satisfied or waived and a vesting notice has been provided to the plan participant.
- (e) the Award exercise price will be determined by the Board at the time it resolves to grant Awards under the LTI Plan, having regard to such matters that the board considers appropriate;
- (f) a participant may, if provided by the terms of the Award, and at their election, exercise their vested Awards by choosing to receive (in Shares) only the positive difference between the exercise price and the Company's share price at exercise, determined by using a volume weighted average price over the 10 trading days immediately preceding the exercise date. This mechanism will not change the fundamental entitlement of participants nor does it result in a more favourable economic outcome than if the participant were to pay the exercise price in respect of all their Awards;
- (g) a participant's Award will expire on the expiry date specified by the Board when the Award is granted.
- (h) Awards are not transferable;
- (i) a participant must not enter into any arrangement for the purpose of hedging their economic exposure to an Award that has been granted to them; and
- (j) Awards will not be quoted on ASX. The Company will make an application to the ASX for official quotation of the Shares (if any) issued to a participant on the exercise of the Awards.

A copy of the LTI Plan can be obtained by contacting the Company secretary.

6.4 Chapter 2E of the Corporations Act

For a public company, section 208 of the Corporations Act requires that, if an entity that the public company controls, gives a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The proposed issue of Performance Rights constitutes giving a financial benefit and Messrs Murray, Davey & Harricks are each related parties of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Director, an associate of the Director or a person whose relationship with the Director or an associate of the Directors, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.15B applies.

For the reasons set out in section 6.1, the Board considers that the grant of Performance Rights to Messrs Murray, Davey and Harricks is an appropriate and reasonable component of their remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, it is unnecessary to seek specific Shareholder approval of Resolutions 5 to 7 for the purposes of Chapter 2E of the Corporations Act.

6.5 Information required by the ASX Listing Rules

Pursuant to ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) the related parties are John Murray, Ross Harricks and Adam Davey who are related parties by virtue of being directors of the Company;
- (b) the maximum number of Performance Rights will depend on the VWAP at the relevant time (as detailed in sections 6.1 and 6.2 above);
- (c) the formula for calculating the price per Share is set out in sections 6.1 and 6.2;
- (d) since the approval of the LTI Plan on 20 November 2018, no Performance Rights have been received by persons who received securities under the LTI Plan;
- (e) John Murray, Ross Harricks, Adam Davey and Philip Daffas are all the persons entitled to participate in the Performance Rights issued under the LTI Plan;
- (f) no loan is being given in relation to the issue of the Performance Rights;
- (g) details of any Performance Rights issued under the LTI Plan will be published in each annual report of the entity relating to a period in which Performance Rights have been issued and that approval for the issue of the Performance Rights was obtained under ASX Listing Rule 10.14 and any additional persons who become entitled to participate in the LTI Plan after Resolutions 5-8 are approved who were not named in this Notice will not participate until approval is obtained under ASX Listing Rule 10.14; and
- (h) the annual issue of the Performance Rights to Messrs Murray, Davey and Harricks will occur no later than 10 trading days after the date the relevant financial year results are released and in any event, no later than 3 years after the date of this meeting.

6.6 Directors' recommendation

The Directors make the following recommendations:

- (a) Philip Daffas recommends Shareholders vote in favour of Resolutions 5 to 7;

- (b) Ross Harricks declines to make a recommendation to Shareholders in relation to Resolution 5¹, but recommends Shareholders vote in favour of Resolutions 6 & 7;
- (c) Adam Davey declines to make a recommendation to Shareholders in relation to Resolution 6², but recommends Shareholder vote in favour of Resolutions 5 & 7; and
- (d) John Murray declines to make a recommendation to Shareholders in relation to Resolution 7³, but recommends that Shareholders vote in favour of Resolutions 5 & 6,

¹ Due to the respective Director having a material personal interest in the outcome of that Resolution on the basis that, that Director is to be granted Performance Rights in the Company should that Resolution be passed.

² See footnote 1

³ See footnote 1

7. RESOLUTION 8 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO PHILIP DAFFAS

7.1 General

In September 2019, the Company commissioned a review of its chief executive officer (**CEO**) remuneration from an independent remuneration consultant to benchmark current CEO remuneration to comparable companies. The report recommended that the Company's CEO remuneration be supplemented with an annual grant of \$200,000 worth of Performance Rights for the financial years ended 30 June 2020, 2021 and 2022.

The Company will enter into a new agreement with Philip Daffas to increase his fixed and variable cash remuneration to a maximum of \$400,000 per annum which together with the proposed \$200,000 grant of Performance Rights, will result in total statutory remuneration of \$600,000 for FY20. In FY19 total statutory remuneration paid to Philip Daffas was \$337,500 (there was no LTI component of his statutory remuneration in FY19 as the original 2016 options were expensed in FY17 and FY18).

The total statutory remuneration of \$600,000 for Philip Daffas represents 124% of the median total statutory remuneration of \$483,812 benchmark in the Health and IT sector for companies with a market capitalisation of between \$50 million and \$200 million.

The Company seeks Shareholder approval for the issue of Performance Rights to Philip Daffas to the value of \$600,000 over the next 3 years with an annual limit of \$200,000 for Philip Daffas or his nominee(s) to acquire one Share for each Performance Right held pursuant to the LTI Plan and as part of Philip Daffas' remuneration.

Please refer to section 6.3 of this Notice for a summary of the LTI Plan.

The Performance Rights issued for a year will be issued at the VWAP of the Company's ordinary shares calculated 5 days either side of and including the date of announcement of the company's annual statutory results for the financial year preceding the financial year of the grant of the Performance Rights (**Award Issue Price**).

Vesting of the Performance Rights is conditional on the following:

- (a) 50% of the annual grant of \$200,000 worth of Performance Rights will vest two years after the commencement of each vesting period on 1 October of the year of grant, subject to the Company's Share price achieving a compounded annual increase in Share price of 15% p.a. (**Award Target Price**) from the relevant Award Issue Price and provided that Philip Daffas remains employed by the Company at that date (unless he is a Good Leaver as defined in the LTI Plan in which case he retains the relevant pro rata portion of the grant subject to the increase in Share price vesting condition); and
- (b) 50% of the annual grant of \$200,000 worth of Performance Rights will vest three years after the commencement of each vesting period on 1 October of the year of grant, subject to the Company's Share price achieving a compounded annual increase in Share price of 15% p.a. from the relevant Award Issue Price and provided that Philip Daffas

remains employed by the Company on that date (unless he is a Good Leaver as defined in the LTI Plan in which case he retains the relevant pro rata portion of the grant subject to the increase in Share price vesting condition).

The Award Target Price will be calculated based on the 10 days VWAP leading up to and including the relevant vesting date.

The following table summarises the above terms:

Remuneration for year ended 30 June	Share Price Calculation date (estimated)	Grant / issue date	Vesting date assuming share price hurdle is met	Likely date that Performance Rights will convert to shares	Expiry Date of Performance Rights if not converted to shares
2020	5/09/2019	30 November 2019 after shareholder approval	50% on 1/10/2021; 50% on 1/10/2022	50% on 30/10/2021; 50% on 30/10/2022	50% on 1/1/2022; 50% on 1/1/2023
2021	5/09/2020	1/10/2020	50% on 1/10/2022; 50% on 1/10/2023	50% on 30/10/2022; 50% on 30/10/2023	50% on 1/1/2023; 50% on 1/1/2024
2022	5/09/2021	1/10/2021	50% on 1/10/2023; 50% on 1/10/2024	50% on 30/10/2023; 50% on 30/10/2024	50% on 1/1/2024; 50% on 1/1/2025

7.2 Calculation of the Number of Performance Rights and Vesting Conditions

As noted in section 7.1 above, the number of Performance Rights to be issued to Philip Daffas each year will depend on the VWAP of the Company's ordinary shares calculated 5 days either side of and including the date of announcement of the company's annual statutory results for the financial year preceding the financial year of the grant of the Performance Rights.

The following table shows the calculation of the Performance Rights to be issued as part of Philip Daffas' remuneration for holding office during FY20 and vesting on 1 October 2021 and 1 October 2022, if Philip Daffas remains in office and the relevant Award Target Price is achieved on the relevant vesting date:

Annual Value of Performance Rights for FY20	Share price calculated based on the VWAP 5 days (and including the day of) either side of FY19 statutory results	No. of Performance Rights	Vesting Date	Award Target Price
\$100,000	\$0.2143	466,636	1 October 2021	\$0.2834
\$100,000	\$0.2143	466,635	1 October 2022	\$0.3259

The following table shows an example of the calculation of the Performance Rights to be issued as part of Philip Daffas' remuneration for holding office during FY21 and vesting on 1 October 2022 and 1 October 2023, if Philip Daffas remains in office and the relevant Award Target Price is achieved on the relevant vesting date:

Annual Value of Performance Rights for FY21	Assumed Share price based on VWAP 5 days (and including the day of) either side of FY20 statutory results	No. of Performance Rights	Vesting Date	Award Target Price based on increase of 15% p.a
\$100,000	\$0.40	250,000	1 October 2022	\$0.5290
\$100,000	\$0.40	250,000	1 October 2023	\$0.6084

7.3 Chapter 2E of the Corporations Act

For a public company, section 208 of the Corporations Act requires that, if an entity that the public company controls, gives a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The proposed issue of Performance Rights constitutes giving a financial benefit and Philip Daffas is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Director, an associate of the Director or a person whose relationship with the Director or an associate of the Directors, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.15B applies.

For the reasons set out in section 7.1, the Board considers that the grant of Performance Rights to Philip Daffas is an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the Performance Rights falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, it is unnecessary to seek specific Shareholder approval of Resolution 8 for the purposes of Chapter 2E of the Corporations Act.

7.4 ASX Listing Rules

The Company is required by ASX Listing Rule 10.14 to obtain Shareholder approval to grant equity securities, including Performance Rights, to Philip Daffas under the LTI Plan.

In accordance with the ASX Listing Rules, Shareholders are being asked under Resolution 8 to approve the grant of \$200,000 worth of Performance Rights to Philip Daffas under the LTI Plan, and to the extent those Performance Rights vest, the underlying Shares.

Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where Shareholder approval for an issue of securities is obtained for Resolution 8, approval is not required for the purposes of ASX Listing Rule 7.1.

7.5 Specific information required by ASX Listing Rule 10.15A

In accordance with ASX Listing Rule 10.15A, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 10.14, the following information is provided to Shareholders:

Relationship between Philip Daffas and the Company	Executive Director
Maximum no. of Performance Rights to be issued	<p>The exact number of Performance Rights that will be granted to Philip Daffas cannot be calculated as at the date of this Notice as it depends on the future price of the Company's Shares. However, the maximum value of the Performance Rights to be issued to Philip Daffas will not exceed \$600,000, with an annual cap of \$200,000 worth of Performance Rights.</p> <p>Please see the table in section 6.2 of this Notice for an example of the formula to be used to calculate the maximum number of Performance Rights to be issued.</p>
Acquisition Price	The subscription price paid by Mr Philip Daffas is \$Nil.
The names of all persons who received Performance Rights under the LTI Plan since its last Shareholder approval on 20 November 2018, the number of Performance Rights received and the acquisition price for each Performance Right	No Performance Rights have been received by persons under the LTI Plan since its last Shareholder approval on 20 November 2018.
Persons who are entitled to participate in the plan	The persons referred to in the Listing Rule 10.14 who are entitled to participate in the LTI Plan are Messrs Harricks, Davey, Murray and Daffas.

Terms of any related loan	There is no loan provided in relation to the acquisition of the Performance Rights by Philip Daffas.
Issue date of the Performance Rights	<p>\$200,000 worth of Performance Rights will be granted on each of the following 3 dates and in any event no later than 3 years after the date of this meeting:</p> <ul style="list-style-type: none"> • 30 November 2019; • 1 October 2020; and • 1 October 2021.
Voting exclusion Statement	A voting exclusion statement applies to this item of business, as set out in the Notice.

Additionally, details of any Performance Rights issued under the LTI Plan will be published in each annual report of the entity relating to a period in which the Performance Rights have been issued, and that approval for the issue of Performance Rights was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the LTI Plan after this Resolution 8 is approved and who were not named in this Notice, will not participate until approval is obtained under ASX Listing Rule 10.14

7.6 Directors' recommendation

The Board, with Philip Daffas abstaining on making a recommendation due to his interest in the resolution, recommends that shareholders vote in favour of Resolution 8 for the reasons outlined in section 7.1.

8. RESOLUTION 9 - APPROVAL TO INCREASE THE NON-EXECUTIVE DIRECTOR REMUNERATION POOL TO \$400,000

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 11.14 of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increase by ordinary resolution of Shareholders in a general meeting

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$250,000. Resolution 9 seeks Shareholder approval to increase this figure from \$250,000 to \$400,000.

In the past 3 years, the Company has issued the following securities to the following Directors:

Director	ASX Listing Rule 10.11 or 10.14
John Murray	24,599,497 Options issued on 19 December 2016.
Ross Harricks	12,299,748 Options issued on 19 December 2016.
Adam Davey	12,299,748 Options issued on 19 December 2016.

The Board is seeking approval to increase the non-executive Director remuneration pool in order to provide sufficient flexibility to be able to attract new Directors should circumstances require. This will become necessary as the Company continues to expand internationally. The current non-executive annual director fees are \$120,000, leaving little room to expand the number of directors without an increase in the remuneration pool.

8.1 Directors' recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution 9.

9. RESOLUTIONS 10 – AMENDMENT TO THE TERMS AND CONDITIONS OF THE 2016 OPTIONS

9.1 General

At the 2016 annual general meeting, shareholders approved the issue of 90,188,155 Options (subject to vesting conditions) to directors exercisable at 2 cents per share and expiring on 24 November 2019. Two thirds (2/3) of the 2016 Options have vested whilst the remaining one third (1/3) vest once the Company generates cumulative revenue of \$1 million.

It is the Directors present intention to exercise the 60,132,104 vested 2016 Options prior to their expiry date on 24 November 2019.

The number of 2016 Options applicable to each director is set out as follows:

Name	Position	Number of Options	Vested	Unvested
Mr John Murray	Non-executive Chairman	24,599,497	16,399,665	8,199,832
Mr Adam Davey	Non-executive Director	12,299,748	8,199,832	4,099,916
Mr Ross Harricks	Non-executive Director	12,299,748	8,199,832	4,099,916
Mr Philip Daffas	Managing Director	40,999,162	27,332,775	13,666,387
TOTAL		90,198,155	60,132,104	30,066,051

The 2016 Option terms are set out in Schedule 1. The material terms are:

- (a) the exercise price is 2 cents per share;
- (b) the expiry date of each Option shall be 24 November 2019; and
- (c) the Options have 3 vesting conditions detailed in Schedule 1.

9.1.2 Current vesting condition for unvested 2016 Options

The current vesting condition for unvested options is that the Company generates “cumulative revenue of \$1,000,000” by the expiry date of 24 November 2019.

The term “revenue” is not defined in the terms of the Options granted. According to accounting standard AASB 15 “Revenue is income that arises in the course of ordinary activities of an entity and is referred to by a variety of different names including sales, fees, interest, dividends and royalties...”

In the statutory accounts of the Company, "Revenue" includes sales from customers and interest income⁴. "Other Income" is excluded from "Revenue" and includes the R&D tax refund.

Sales revenue is recognised in the statutory accounts of the Company according to AASB 15. The Company's operates a SaaS business model whereby it charges residential aged care operators (**RACs**) a monthly subscription software license fee based on the number of beds covered by the license. A typical customer contract is for at least 12 months and will agree the number of beds covered by the agreement, and the monthly subscription fee payable per bed once the software licence is delivered and implemented at a RAC facility. Often the agreement covers multiple RAC facilities owned by an operator and implementation of the service is staged over several months based on customer requirements. Even if the customer agrees to pay for the service up front (usually for a minimum of 12 months), revenue is only recognised on a monthly basis once the service is implemented and live at a facility.

At 30 June 2019, the Company's cumulative recognised revenue was \$297k including monthly recurring revenue (**MRR**) recognised on 3,564 active beds with an annualised recurring revenue (**ARR**) of \$234k. As at 30 June 2019, the Company had contracted 10,590 beds with an annualised contract value of \$587k assuming the contracted beds were fully implemented and active as anticipated under the contract.

The Company believes it will be unlikely to be able to achieve a cumulative recognised revenue target of \$1 million by 24 November 2019, based on the current expected schedule for implementing the backlog of over 7,000 beds at 30 June 2019 and the rate of sign up and implementation of new customers since that date. This has also been impacted by the delay in finalising the contract with the Federal Government in relation to the \$5 million funding support for implementation of PainChek® announced by the Federal Government on 29 April 2019 (see section 9.1.4(a)).

9.1.3 Proposed modification of vesting condition of unvested 2016 Options

Resolutions 10(a), 10(b), 10(c) and 10(d) seeks Shareholder approval to modify the vesting condition of 30,066,051 unvested 2016 Options to the Directors (or nominees) to achieving signed customer contracts with total annualised contracted revenue of at least \$1 million by 24 November 2019. Annualised contracted revenue will be calculated based on MRR for contracts with at least a 12 month term, and on the assumption that a contract is fully implemented in accordance with the contract terms and rolled out across all the RAC facilities and beds covered under the contract.

However, the Company has strong underlying market traction and has reasonable expectations of achieving \$1 million annualised contracted revenue by 24 November 2019, based on the strong pipeline of local and international business opportunities and assuming the Federal Government contract is signed in October 2019 (see section 9.1.4(a)).

⁴ Refer note 3 of FY2019 accounts

9.1.4 Financial impact of the modification of vesting condition of Unvested 2016 Options

If the 30,066,051 unvested Options are vested as a result of this modification, the dilution to Shareholders which would otherwise have been avoided is approximately 2.9%⁵.

The Company will incur an additional non-cash, share based payment expense in FY2020 arising from Shareholder approval to modification of the terms of the unvested 30,066,051 Options. The amount of this expense is the increase in fair value of the unvested Options arising from the modification. This increase in fair value is calculated on the difference between the market value of the Company's shares on the date of approval and the exercise price of 2 cents per Share Option, and the adjusted probability of achieving the modified condition of vesting. If at the date of Shareholder approval, the original condition was not met the unvested Share Options would have a nil fair value. If at the date of approval, the Company has however achieved the modified condition of vesting there will be a 100% probability of achieving the modified vesting condition. Assuming a Share price of 30 cents per Share on the date of approval and that the modified condition of vesting has been met, the unvested Share Options would have a fair value of \$8.4m resulting in a non-cash, Share based payment expense of \$8.4 million. A change of +/- 25% would have the following results:

Share price on date of approval	\$0.300	\$0.225	\$0.375
Share based payment expense	\$8,418,494	\$6,163,540	\$10,673,448

9.1.5 Rationale for the modification

As outlined in the Company's Annual Report for FY19, the Company has made significant progress with commercialisation of its technology and development of the business which has led to significant share price increases in the past 6 months.

The purpose of the original condition of vesting for the third tranche of Options was to have a financial milestone providing evidence of the success of commercialising the Company's technology. The Directors believe that the modified milestone of achieving significant contracted revenue from customers provides similar evidence of commercial success. In addition, there are other indicators of significant commercial progress including:

(a) **Securing Australian Government funding for the RAC industry to implement PainChek®**

As announced on 29 April 2019 the Morrison Government will invest \$5 million to facilitate the implementation of the Company's PainChek® app in Australian RACs. The funding makes provision for a universal PainChek® access license for the more than 1,000 Residential Aged Care Providers in Australia and their 100,000 residents living with dementia for a one-year period. The contract associated with this announcement between the Company and the government is in the process of being finalised and is currently expected to be signed during October 2019.

⁵ Based on issued share capital of 937,305,279 in the cleansing notice announced to the ASX on 27 September 2019 expanded for the assumed exercise of 60 million vested 2016 Options.

(b) **Expanding into international markets**

On 27 May 2019, the Company announced it had signed a UK distribution agreement with Person Centred Software, a leading aged care software provider in the UK. Subsequently the Company's software has been integrated with PCS software and is being implemented in aged care facilities in the UK.

On 6 August 2019, the Company announced it had received regulatory approval in Singapore for its product, and the signing of a two-year licence agreement with leading Singapore aged care provider, Allium Healthcare Holdings Pte Ltd.

On 5 September 2019, the Company announced the appointment of Mr. Peter Shergill as the Head of Business Development for PainChek UK Ltd commencing on 30 September 2019.

(c) **Integrating with leading care management software for the RAC industry**

The Company now has integration agreements finalized with the six major RAC care management systems in Australia and with Person Centred Software in the UK. These agreements facilitate the automated documentation of PainChek® for more than 80% of the 220,000 Australian aged care beds and more than 40,000 beds in the UK. The benefit is rapid, point of care pain assessments that eliminate duplication of effort for carers giving them more time to focus on resident care.

(d) **Progress with regulatory approval in the USA**

The Company had a positive meeting with the FDA in Washington DC in June 2019 as part of the De Novo regulatory process including the demonstration of the PainChek® Adult App and the AI capability. PainChek® was confirmed as a De Novo classification as there is no other similar regulated medical device in the US market. The existing PainChek® Australian based research data was positively received, and the Company obtained guidance from the FDA in terms of additional validation requirements to complete the De Novo regulatory classification. The Company is currently finalizing the additional validation work for review with FDA which is projected for completion and then approval of the PainChek® Adult App during FY 2020.

(e) **Developing the Company's intellectual property portfolio**

On 24 July 2019, the Company announced the United States Patent Office has issued a Notice of Allowance for its pain assessment invention. This indicates that patent prosecution has been successfully completed. The patent, when granted, will allow PainChek® to protect the intellectual property of its invention in the United States and provides a platform for growing the brand in international markets.

The US patent gives PainCheck® exclusive rights to exclude others from making, using, selling or importing the invention for 20 years from the filing date in the US (17 February 2017).

(f) **Developing the PainChek® Infant App**

On 2 July 2019, the Company announced an agreement with Murdoch Children's Research Institute (**MCRI**), to clinically test a version of the PainChek® App for infants. MCRI is the largest child health research institute in Australia and one of the top three worldwide. The clinical trials are currently projected to be completed in Q3 FY20, and will support applications for regulatory approval of PainChek® Infant's App with the Therapeutics Goods Administration (TGA), CE Mark, Europe, and the Food and Drug Administration (FDA) in the USA.

(g) **Raising additional capital and significant increase in share price**

On 19 June 2019, the Company announced a successful capital raising of \$4.15m at a share price of 14.5 cents compared to the share price of 5 cents at the previous capital raising in September 2017 and 2 cents in September 2016. Subsequent to the June 2019 capital raise, the share price has increased further and at close of business on 27 September 2019 was \$0.27.

9.1.6 Summary

The Directors consider that significant progress has been made evidencing commercial success of the Company's technology, and in building the foundations to achieve sustainable annual recurring revenue above \$1 million by the option exercise date. They therefore believe that the CEO and directors should be rewarded for these efforts through modifying the condition of vesting of the third tranche of unvested 2016 Options.

Without Shareholder approval of the amendment of the implied definition of "revenue" from cumulative recognised revenue to annualised contracted revenue value as explained in sections 9.1.1 and 9.1.2, the unvested Options granted to the Directors are unlikely to vest. As outlined in section 9.1.4(a), if the Company executes the federal government contract during October 2019 as currently expected, the Company expects to achieve annualised contracted revenue of \$1 million by 24 November 2019.

9.2 ASX Listing Rule 6.23.4

ASX Listing Rule 6.23.4 provides that a change to the terms of the 2016 Options which is not prohibited under the ASX Listing Rules can only be made if holders of ordinary securities approve the change.

9.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The amendment of the implied definition of "revenue" from cumulative recognised revenue to annualised contracted revenue of the unvested 2016 Options constitutes giving a financial benefit and Messrs Murray, Davey, Harricks and Daffas are each related parties of the Company by virtue of being a Director.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the 2016 Options to the Directors (or their respective nominees).

9.4 Shareholder Approval (Chapter 2E of the Corporations Act)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act, the following information is provided in relation to the proposed change of the implied definition of "revenue" of the terms and conditions of the 2016 Options:

- (a) the related parties are John Murray, Philip Daffas, Ross Harricks and Adam Davey who are related parties by virtue of being directors of the Company;
- (b) the proposed amendment to the implied definition of "revenue" is set out in section 9.1;
- (c) the 2016 Options have already been granted to John Murray, Philip Daffas, Ross Harricks and Adam Davey;
- (d) the other terms and conditions of the 2016 Options are set out in Schedule 1;
- (e) the value of the unvested 2016 Options using a fair value assessment methodology is set out in Schedule 2. This valuation provides an estimated value range of \$0.28 to \$0.335 per Option, depending on the share price at the time Shareholders approve the modification. The estimated value range of the unvested Options is as follows:

Name	Number of Options	Estimated value of Options at \$0.30 per Share	Estimated value of Options at \$0.225 per Share	Estimated value of Options at \$0.375 per Share
Mr John Murray	8,199,832	\$2,377,951	\$1,844,962	\$3,074,937
Mr Adam Davey	4,099,916	\$1,188,976	\$922,481	\$1,537,468
Mr Ross Harricks	4,099,916	\$1,188,976	\$922,481	\$1,537,468
Mr Philip Daffas	13,666,387	\$3,963,252	\$3,074,937	\$5,124,895

- (f) the relevant current interest of the Directors in Shares and vested Option holdings are set out below:

Name	Shares	Number of Vested Options	Number of Unvested Options	Total Number of Options
Mr John Murray	Nil	16,399,665	8,199,832	24,599,497
Mr Adam Davey	3,540,763	8,199,832	4,099,916	12,299,748
Mr Ross Harricks	Nil	8,199,832	4,099,916	12,299,748
Mr Philip Daffas	Nil	27,332,775	13,666,387	40,999,162

- (g) the remuneration and emoluments from the Company to the Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year*	Previous Financial Year
Mr John Murray	\$120,000	\$80,000
Mr Adam Davey	\$60,000	\$40,000
Mr Ross Harricks	\$60,000	\$40,000
Mr Philip Daffas	\$600,000	\$337,500

* Subject to Shareholder approval

- (h) the dilution effect if the unvested 2016 Options granted to the Related Parties are exercised is set out in section 9.5 below;
- (i) the purpose of amending the implied definition of "revenue" of the terms and conditions of the 2016 Options is set out in section 9.1;
- (j) Philip Daffas declines to make a recommendation to Shareholders in relation to Resolution 10(a), John Murray declines to make a recommendation to Shareholders in relation to Resolution 10(b), Adam Davey declines to make a recommendation to Shareholders in relation to Resolution 10(c) and Ross Harricks declines to make a recommendation to Shareholders in relation to Resolution 10(d) due to the respective director having a material personal interest in the outcome of those Resolutions on the basis that the 2016 Options will vest in those Directors should Resolutions 10(a), 10(b), 10(c) and 10(d) be passed;
- (k) with the exception of each Directors' respective approval resolution, no other Director has a personal interest in the outcome of that resolution;
- (l) each Director declines to make a recommendation on Resolutions 10(a), 10(b), 10(c) and 10(d) because each of them has a personal interest in one of those resolutions; and

- (m) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 10(a), 10(b), 10(c) and 10(d).

9.5 Dilution

Set out below is a worked example of the number of Shares that may be issued upon exercise of the Options issued under Resolutions 10(a), 10(b), 10(c) and 10(d).

Deemed issue price	Maximum number of Shares which would be issued following exercise of the unvested 2016 Options pursuant to Resolutions 10(a), 10(b), 10(c) and 10(d)	Current Shares on issue as at the date of this Notice plus vested 2016 Options	Number of Shares on issue following exercise of the unvested 2016 Options pursuant to Resolutions 10(a), 10(b), 10(c) and 10(d)	Dilution effect on existing Shareholders
\$0.02	30,066,052	915,155,279 + 60,132,104	1,005,353,435	3%

Assuming no Options are exercised, no other Shares issued and the maximum number of Shares as set out in the worked example above are issued upon exercise of the 2016 Options, the number of Shares on issue would increase from 915,155,279 (being the number of Shares on issue as at the date of this Notice) to 1,005,353,435 and the shareholding of existing Shareholders would be diluted by 3%.

GLOSSARY

\$ means Australian dollars.

2016 Option or **Option** means the options approved by Shareholders at the Company's 2016 Annual General Meeting set out in Schedule 1.

Annual General Meeting or **AGM** or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chairman of the Board from time to time.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means PainChek Limited (ACN 146 035 127).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those 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.

Long Term Incentive Plan or **LTI Plan** means the PainChek Limited Long Term Incentive Plan as approved by Shareholders on 20 November 2018.

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

Performance Rights means a conditional right to acquire a Share for nil consideration granted under the LTI Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

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

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS OF 2016 OPTIONS

TERMS AND CONDITIONS OPTIONS EXPIRING 24 November 2019

The Options to be issued pursuant to the Resolutions will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price is 2 cents per share.
3. The expiry date of each option shall be 24 November 2019.
4. The options are to vest as follows:
 - i. One third after one year of service.
 - ii. One third after the Company makes an announcement that Regulatory Approval to enable commercial use of the EPAT App in Australia, the United States or Europe is received, or the Company has announced the execution of a binding licence agreement to licence the EPAT App to:
 - a. one or more residential aged care facilities facility owners managing in total in excess of 150 beds; or
 - b. one or more medical clinics which service in total in excess of 2,000 patients per year; or
 - c. a metropolitan hospital with in excess of 200 beds;
 - d. (each an "End User");
 - e. or a global distribution partner with multiple End Users as existing customers.
 - iii. One third upon the Company generating cumulative revenue of \$1,000,000.
 - iv. If a "Change in Control" occurs before a vesting condition has been satisfied, the vesting condition shall be waived and all of the Options shall immediately vest. For the purposes of this clause, "Change in Control" means any of the following events:
 - a. a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the shareholders of the Company approve the proposed compromise or arrangement at such meeting;
 - b. a Takeover Bid (as defined in section 9 of the Corporations Act):
 - A. is announced;
 - B. has become unconditional; and
 - C. the person making the Takeover Bid has a relevant interest in 50% or more of the Company's shares; or

- c. any person acquires a relevant interest in 50.1% or more of the Company's shares by any other means.
 - v. In the event of a Director being terminated other than with cause or due to the Director's resignation:
 - a. If termination occurs within one year of the date on which the Company's Shares relist on the ASX, the total of vested Options is to be adjusted to equal one third of the total number of options to be issued;
 - b. If termination occurs between one and two years from the date on which the Company's Shares relist on the ASX, the total of vested Options is to be adjusted to equal two thirds of the total number of Options to be issued;
 - c. If termination occurs after two years from the date on which the Company's Shares relist on the ASX, the total of vested Options is to be adjusted to equal the total number of options to be issued.
5. The Options are not transferrable.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in the ASX Listing Rules;
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable within the vesting restrictions at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall issue the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares issued shall rank, from the date of issuance, equally with the existing ordinary shares of the Company in all respects.
13. Quotation of the Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

SCHEDULE 2 – VALUATION OF UNVESTED 2016 OPTIONS

Table 1 – Unvested Option valuation details

The below table assumes a Share price of 30 cents per Share on the date of approval and that the modified condition of vesting has been met, +/- 25%:

Details	Input		
Share price	\$0.30	\$0.225	\$0.375
Exercise Price	\$0.02	\$0.02	\$0.02
Probability Factor of achieving modification	100%	100%	100%
Modification Date	20 November 2019	20 November 2019	20 November 2019
Expiry Date	24 November 2019	24 November 2019	24 November 2019
Value per Option	\$0.28	\$0.205	\$0.355

The value per Option has been assessed by the Directors as the increase in fair value of the unvested Options arising from the modification. This increase in fair value is calculated on the difference between the market value of the Company's Shares on the date of approval and the exercise price of 2 cents per Share Option, and the adjusted probability of achieving the modified condition of vesting.

SCHEDULE 3 - UNLISTED OPTION TERMS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under g(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2.00pm (WST) on Monday 18 November 2019.**

💻 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/painchekagm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2.00pm (WST) on Monday 18 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/painchekagm2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **PainChek Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Country Women's Association of WA, Board Room 1176 Hay Street, West Perth, WA 6005 on Wednesday, 20 November 2019 at 2.00pm (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 5 - 10, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 5 - 10 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including 1 and 5 - 10). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*		FOR	AGAINST	ABSTAIN*	
Res 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 6	Issue of performance rights to Director Adam Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Re-election of a Director – Adam Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7	Issue of performance rights to Director John Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval of 10% Placement Capacity - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Issue of performance rights to Director Philip Daffas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Ratify past issue of equity Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Increase the Non-executive Director Remuneration pool to \$400,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Issue of performance rights to Director Ross Harricks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Amendment to the terms and conditions of the 2016 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019