



**Proteomics International**

LABORATORIES LTD

ABN 78 169 979 971

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

Thursday, 25 November 2021

**Time of Meeting**

9:30 am (AWST)

**Place of Meeting**

Harry Perkins Institute  
QEI Medical Centre QQ Block  
6 Verdun Street, Nedlands, WA, 6009

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

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 have any questions regarding the matters in this document please do not hesitate to contact the Company Secretary via email at [enquiries@proteomicsinternational.com](mailto:enquiries@proteomicsinternational.com)

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**) is to be held on Thursday, 25 November 2021, at the Harry Perkins Institute, QEII Medical Centre QQ Block, 6 Verdun Street, Nedlands, WA, 6009, commencing at 9:30 am (AWST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

### BUSINESS

#### Financial Statements and Other Reports – Year Ended 30 June 2021 (no resolution required)

To receive and consider the Company's Financial Report for the year ended 30 June 2021, together with the declaration of Directors, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2021.

#### Resolution 1 – Non-Binding Resolution to Adopt 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2021."*

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

#### Voting Prohibition Statement:

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) 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 though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### Resolution 2 – Re-election of Director – Mr Roger Moore

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

*"That Mr Moore, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company."*

#### Resolution 3 – Renewal of Partial Takeover Plebiscite Clause in the Constitution

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

*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by reinstating clause 35 for a period of 3 years from the date of approval of this Resolution."*

#### Resolution 4 – Ratification of Prior Issue – Options to Euroz Hartleys under Corporate Advisory Agreement

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

*"That, for purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 500,000 Options to a nominee of Euroz Hartleys Securities Limited under the Corporate Advisory Agreement on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved (namely Euroz Hartleys Securities Limited and its nominee, Zero Nominees Pty Ltd); and
- any associates of that person or those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **EXPLANATORY MEMORANDUM**

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Definitions in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

### **VOTING ENTITLEMENTS**

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:00 pm (AWST) on Tuesday, 23 November 2021 will be entitled to attend and vote at the Annual General Meeting.

### **VOTING BY PROXY**

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 9:30 am (AWST) on Tuesday, 23 November 2021.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **VOTING IN PERSON**

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

Shareholders are currently expected to be able to attend the Meeting in person whilst following COVID-19 safe practices at the Meeting. Shareholders are encouraged to allow additional time for these COVID-19 safe practices. Whilst Shareholders are expected to be able to attend in person, circumstances relating to the COVID-19 pandemic can change rapidly and the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.



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The Company will continue to monitor Federal and State Government restrictions on public gatherings and should either Federal or State Government guidance provide that a physical meeting is inadvisable or not to be held, the Company will advise Shareholders prior to the date of the Meeting via ASX announcement.

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but the Company and/ or representatives from Automatic Share Registry will need to verify your identity. You can register from 9:00 am (AWST) on the day of the Meeting.

#### **CORPORATE REPRESENTATIVE**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

#### **ATTORNEYS**

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 9:30 am (AWST) on Tuesday, 23 November 2021. Previously lodged powers of attorney will be disregarded by the Company.

#### **QUESTIONS**

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting by email to the Company Secretary at [enquiries@proteomicsinternational.com](mailto:enquiries@proteomicsinternational.com).

**DATED THIS 26<sup>TH</sup> OF OCTOBER 2021**

**BY ORDER OF THE BOARD**

**Karen Logan**  
*Company Secretary*

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

### Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for PILL for the year ended 30 June 2021 (**Annual Report**) at the Meeting. These reports, together with the declaration of Directors, are set out in the Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the Annual Report with this Notice of Annual General Meeting.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the Annual Report is available from the Company's website (<https://www.proteomics.com.au/wp-content/uploads/PIQ-Annual-Report-2021.pdf>).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report, which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and content of the Auditor's Report;
  - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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

#### 1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of PILL and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

#### 1.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual

general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder 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 most recent financial year) 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.

#### 1.3 Previous voting results

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.

#### 1.4 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of the Resolution.

## **2. Resolution 2 – Re-election of Director – Mr Roger Moore**

#### 2.1 General

ASX Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Mr Moore, who has served as a director since 13 October 2016, and was last re-elected on 28 November 2019, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

#### 2.2 Qualifications and other directorships

Mr Moore has 40 years' experience in the international pharmaceutical industry, including almost 30 years as President of Novo Nordisk Japan (Novo Nordisk is the world's largest manufacturer of insulin and a global leader in diabetes care). Mr Moore established Novo's organisation in Japan as the first employee in 1977 and worked for the company until his retirement as Chairman at the end of 2007. From 2000, Roger was appointed Senior Vice President, Japan and Oceania Region, responsible for Novo Nordisk's business in Japan, Australia, New Zealand and the Pacific. He was also appointed a member of the Senior Management Board, Novo Nordisk A/S. In 2007 Mr Moore was awarded the Knight's Cross of the Order of the Dannebrog (R) by Queen Margrethe II of Denmark.

#### 2.3 Independence

The Board has considered Mr Moore's independence and considers that he is an independent director.

#### 2.4 Board Recommendation

The Board has reviewed Mr Moore's performance since his appointment to the Board and considers that Mr Moore's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Moore) supports the re-election of Mr Moore and recommends Shareholders vote in favour of the Resolution.

#### 2.5 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

## **3. Resolution 3 – Renewal of Partial Takeover Plebiscite Clause in the Constitution**

#### 3.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply a company's constitution is modified by omitting the provisions.

The Company's Constitution (including the proportional takeover provisions set out in clause 35) was adopted on 15 July 2014. The proportional takeover provisions included in the Constitution were renewed on 22 November 2018 and therefore will expire on 22 November 2021.

Resolution 5 is a special resolution which will enable the Company to modify its Constitution by reinstating clause 35 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 35.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the Constitution was released to ASX on 14 April 2015 and is available for download from the Company's ASX announcements platform.

### 3.2 Proportional takeover provisions (clause 35 of Constitution)

#### 3.2.1 General

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 35 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

#### 3.2.2 Information required by section 648G of the Corporations Act

##### *Effect of proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

##### *Knowledge of any acquisition proposals*

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

##### *Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect*

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

##### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

### 3.3 Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of reinstating the proportional takeover provisions and as a result consider that the reinstatement of the proportional takeover provision set out in clause 35 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

## **4. Resolution 4 – Ratification of Prior Issue – Options to Euroz Hartleys under Corporate Advisory Agreement**

### 4.1 General

The Company entered into a corporate advisory agreement on 30 April 2021 (**Corporate Advisory Agreement**) pursuant to which it issued 500,000 Options to a nominee of Euroz Hartleys Securities Limited (ACN 089 314 983) (**Euroz Hartleys**) as part consideration for services.

### 4.2 Material terms of the Corporate Advisory Agreement

The Corporate Advisory Agreement has a term of 12 months from 30 April 2021 (**Term**). The Corporate Advisory Agreement may be terminated by either party by providing one month's written notice.

Under the terms of the Corporate Advisory Agreement:

- (a) the Company pays Euroz Hartleys (or its nominee) a retainer of \$10,000 per month for the provision of corporate advisory services which is/was payable as follows:
  - (i) \$5,000 cash per month during the Term; and
  - (ii) the issue of 500,000 Options (exercisable at \$1.75 per option on or before 30 April 2023) on 30 April 2021;
- (b) the Company agreed to grant Euroz Hartleys a first right of refusal to act as sole lead manager on any equity raising conducted by the Company during the Term.

The Corporate Advisory Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnities and confidentiality provisions).

### 4.3 ASX Listing Rule 7.1

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

The issue of the Options does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date of the Options.

### 4.4 ASX Listing Rule 7.4

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, the Company is seeking shareholder ratification pursuant to Listing Rule 7.4 for the issue of Options.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Options.

4.5 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Options.

If Resolution 4 is not passed, the Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Options.

4.6 Technical information required by ASX Listing Rule 7.5

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) a total of 500,000 Options were issued to Zero Nominees Pty Ltd under the placement capacity available to the Company under Listing Rule 7.1;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient was not:
  - a. a related party of the Company, member of the Company's Key Management Personnel or substantial holder of the Company; and
  - b. issued more than 1% of the issued capital of the Company;
- (c) the Options were issued at a nil issue price, in consideration for services provided by Euroz Hartleys. The Company has and will not receive any other consideration for the issue of the Options (other than in respect of funds received on exercise of the Options);
- (d) the terms and conditions of the Options are set out in Schedule 1;
- (e) the Options were issued on 30 April 2021 to Zero Nominees Pty Ltd, a nominee of Euroz Hartleys;
- (f) the Options were issued pursuant to the terms of the Corporate Advisory Agreement. A summary of the material terms of the Corporate Advisory Agreement is set out in Section 4.2 above;
- (g) the purpose of the issue of the Options was to satisfy the Company's obligations under the Corporate Advisory Agreement;
- (h) a voting exclusion statement has been included for the Resolution.

4.7 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

4.8 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

## DEFINITIONS

**\$** means an Australian dollar.

**Annual General Meeting** means the annual general meeting the subject of this Notice.

**Annual Report** has the same meaning as Financial Report.

**Associated Body Corporate** means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** and **Listing Rules** mean the official listing rules of ASX.

**Auditor** means the Company's auditor from time to time, at the date of the Notice, being BDO Audit (WA) Pty Ltd.

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

**AWST** means Australian Western Standard Time, being the time in Perth.

**Board** means the board of directors of the Company.

**Chair** (or Chairperson) means the person appointed to chair the Meeting convened by this Notice.

**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** or **PILL** means Proteomics International Laboratories Ltd (ACN 169 979 971).

**Constitution** means the Company's constitution.

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

**Corporate Advisory Agreement** has the meaning given to that term in Section 6.2.

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Annual General Meeting.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the official listing rules of the ASX.

**Meeting** means the meeting of Shareholders convened by the Notice of Annual General Meeting.

**Notice** or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share.

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

**Remuneration Report** means the remuneration report as contained in the Directors' report section of the Company's annual financial report.

**Resolution** means a resolution in the Notice.

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

**Shareholder** means a shareholder of the Company.

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

## SCHEDULE 1

### Terms and Conditions of the Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

a) *Exercise Price*

The exercise price per Option is \$1.75.

b) *Entitlement*

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *Option Period*

The Options will expire at 5:00pm WST on 30 April 2023 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.

d) *Ranking of Share Allotted on Exercise of Option*

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

e) *Voting*

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) *Transfer of an Option*

Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX.

g) *Method of Exercise of an Option*

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

(ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$1.75 per Share.

(iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.

(iv) Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

(v) If the Company is listed on the ASX, the Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.

(vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) *Reconstruction*

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

i) *Participation in New Share Issues*

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

j) *No Change of Options' Exercise Price or Number of Underlying Shares*

The Options do not confer the right to a change in exercise price or change to the number of underlying securities except in the circumstances outlined in Listing Rule 6.22. There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.