



Proteomics International

LABORATORIES LTD

ABN 78 169 979 971

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Friday, 8 November 2024

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 by email at 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 Friday, 8 November 2024, 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 2024 (no resolution required)

To receive and consider the Company's Financial Report for the year ended 30 June 2024, 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 2024.

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 2024."

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

Resolution 2 – Re-election of Director – Dr James Williams

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

"That Dr Williams, being a director of the Company who, having been appointed on 16 September 2024, retires in accordance with Clause 15.4 of the Company's Constitution 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 – Re-election of Director – Mr Neville Gardiner

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

"That Mr Gardiner, being a director of the Company who retires by rotation in accordance with Clause 15.2 of the Company's Constitution and for all other purposes, and being eligible and offering himself for re-election, be re-elected as a director of the Company."

Resolution 4 – Confirmation of Appointment of Auditor

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

"That, pursuant to Section 327B(1)(b) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd, having been nominated by a shareholder and having given its consent in writing to act as auditor, be appointed as the auditor of the Company to hold office from the conclusion of this Annual General Meeting until it resigns or is removed from the office of auditor of the Company."

Resolution 5 – Ratification of Prior Issue of Placement Shares

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 ratify the issue of 8,557,895 on the terms and conditions set out in the Explanatory Memorandum."

Resolution 6 – Approval of Issue of Options to Director – Dr Richard Lipscombe

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,600,000 Executive Options with the terms and conditions set out in Schedule 2 to Dr Richard Lipscombe (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Resolution 7 – Approval of Issue of Options to Director – Dr James Williams

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

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 250,000 Director Options with the terms and conditions set out in Schedule 3 to Dr Williams (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Resolution 8 – Approval to Increase Maximum Options Under the Company’s Employee Incentive Options Plan

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to increase the maximum number of Options that may be issued under the Company’s Employee Incentive Options Plan from the present maximum of 6,110,000 Options to a maximum of 22,690,407 Options on the terms and conditions set out in the Explanatory Statement.”

Resolution 9 – Amendment to Constitution

To consider and, if thought fit, to pass 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 amend its Constitution to increase the issue cap for purposes of section 1100V(2) of the Corporations Act to allow for more than 5% of Convertible Securities to be issued under the Company’s employee incentive plans.”

VOTING EXCLUSION STATEMENTS

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of:

1. Resolution 5: A person who participated in the issue or any associate of that person or those persons.
2. Resolution 6: Dr Richard Lipscombe (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons.
3. Resolution 7: Dr James Williams (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons.
4. Resolution 8: by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate 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.

VOTING PROHIBITION STATEMENTS

Resolution 1: 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 6, 7 and 8: 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 voter is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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 Wednesday, 6 November 2024 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 Wednesday, 6 November 2024.

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.

The Company strongly encourages Shareholders to lodge a directed proxy vote online or by form in accordance with the instructions on the Proxy Form prior to the Meeting.

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 Wednesday, 6 November 2024. Previously lodged powers of attorney will be disregarded by the Company.



Proteomics International

LABORATORIES LTD

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 to the Company by email at enquiries@proteomicsinternational.com.

DATED THIS 9TH OF OCTOBER 2024

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 2024 (**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-2024.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 2024.

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 Background

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 – Dr James Williams

2.1 Background

Listing Rule 14.4 and Clause 13.4 of the Constitution provide that, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Dr Williams, who was appointed as an independent Non-Executive Director by the Board on 16 September 2024, retires in accordance with the Clause 15.4 of Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for election.

2.2 Qualifications and other directorships

Dr Williams is an accomplished manager, director, scientist and investor with experience covering all aspects of life-science technology translation. Over the past 25 years, as an established entrepreneur, he has been involved from startup to commercialisation, including CEO, CTO, Director and Chair roles, of numerous biotech companies which have resulted in five Food and Drug Administration (FDA) approved drugs and medical devices. He conceived the technology behind iCeutica Inc (acquired in 2011) and co-discovered the lead therapy for ASX-listed Dimerix Limited (ASX:DXB), now in Phase 3 trials for Chronic Kidney Disease.

Dr Williams is currently CEO of Health Translation Group Ltd, a not-for-profit company focusing on translation of medical research outcomes, a Director of the Perron Institute for Neurological and Translational Science and agriculture start-up Demagtech, and a member of the WA State Government's Health and Medical Life Sciences Industry Advisory Group. He was previously co-founder and Investment Director of early-stage VC firm Yuuwa Capital, and appointed director on several portfolio companies, a Director of clinical trial facility Linear Clinical Research and a member of the Australian Federal Government's Entrepreneurs' Program Committee.

Dr Williams holds a Bachelor of Science (Honours) from the University of Aberdeen, a Doctor of Philosophy from the University of Melbourne, a Master of Business Administration from the University of Western Australia and is a Graduate Member of the Australian Institute of Company Directors.

Dr Williams' experience will be of significant benefit to PILL at a pivotal stage of the Company's development. He brings industry specific skills and a proven record of commercialisation experience to strengthen the Board and his wealth of industry-specific knowledge, especially in the Chronic Kidney Disease space, will be invaluable.

The Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's Corporate Governance Statement and considers that Dr Williams possesses the required broad-based skills to help drive the Company's performance.

2.3 Independence

The Board has considered Dr Williams' independence and considers that he is an independent director.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Dr Williams will be re-elected to the Board as an independent director.

In the event that Resolution 2 is not passed, Dr Williams will not be re-elected to the Board as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

2.5 Board Recommendation

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

2.6 Voting Intention

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

3. Resolution 3 – Re-election of Director – Mr Neville Gardiner

3.1 Background

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 Gardiner, who has served as a director since 16 November 2021, and was last re-elected on 24 November 2022, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

3.2 Qualifications and other directorships

Mr Gardiner was recently a Partner of Deloitte in its Mergers & Acquisitions Advisory team. He is a seasoned finance professional with over 30 years' experience advising Boards of public and private companies on mergers and acquisitions, project development, equity and debt capital markets, transaction structuring, capital allocation and complex commercial problem solving. Prior to Deloitte Mr Gardiner was Co-Founder and Managing Director of Torridon Partners, an independent corporate advisory firm. Torridon Partners was acquired by Deloitte in 2016. He is also a non-executive director of Galena Mining Limited (ASX:G1A).

Mr Gardiner has held leadership positions at Macquarie Bank, Bank of America Merrill Lynch and Arthur Andersen, and has broad industry sector exposure including healthtech, fin-tech, mining and mining services, infrastructure, energy, and fabrication and construction.

Mr Gardiner holds a Bachelor of Business (Accounting and Business Law) from Curtin University.

3.3 Independence

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

3.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, Mr Gardiner will be re-elected to the Board as an independent director.

In the event that Resolution 3 is not passed, Mr Gardiner will not be re-elected to the Board as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

3.5 Board Recommendation

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

3.6 Voting Intention

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

4. Resolution 4 – Confirmation of Appointment of Auditor

4.1 Background

On 27 May 2024, in accordance with section 327C of the Corporations Act, the Company appointed BDO Audit Pty Ltd (**BDO Audit**) as auditor of the Company following ASIC's consent to the resignation of the previous auditor of the Company, BDO Audit (WA) Pty Ltd, in accordance with section 329(5) of the Corporations Act.

The change of auditor entity occurred due to the national integration of BDO.

Pursuant to section 327C(2) of the Corporations Act, BDO Audit will hold office until this Annual General Meeting. In accordance with section 327B(1)(b), the Company now seeks Shareholder approval of the ongoing appointment of BDO Audit as auditor of the Company and its controlled entities.

In accordance with section 328B(1) of the Corporations Act, notice in writing nominating BDO Audit as auditor has been given to the Company by a Shareholder. A copy of this notice is attached to this Notice of Meeting as Schedule 1.

BDO Audit has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

If this Resolution 4 is passed, the appointment of BDO Audit as the Company's auditor will take effect at the close of the Meeting.

4.2 Board Recommendation

The Board recommends that Shareholders vote in favour of the Resolution.

4.3 Voting Intention

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

5. **Resolution 5 – Ratification of Prior Issue of Shares under Listing Rule 7.1 - Institutional Placement**

5.1 Background

On 23 January 2024, the Company announced that it had agreed to undertake a placement to new and existing institutional investors 8,557,895 Shares at an issue price of \$0.76 per Share (**Placement Shares**) raising \$6,504,000 before costs (**Placement**). The Placement Shares were issued on 25 January 2024 pursuant to the Company's existing placement capacity under Listing Rule 7.1.

Jefferies (Australia) Pty Ltd acted as Lead Manager to the Placement.

5.2 Use of funds

Funds from the Placement will be used for:

- Commercialisation of the PromarkerD predictive test for diabetic kidney disease;
- Development of the Promarker diagnostics pipeline; and
- General working capital purposes.

5.3 Listing Rules 7.1 and 7.4

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 Placement Shares does not fit within any of the exceptions set out 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 Placement Shares.

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. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Placement Shares 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 Placement Shares.

If Resolution 5 is not passed, the Placement Shares 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 Placement Shares.

5.5 Technical information required by Listing Rule 7.5

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Placement Shares were issued to new and existing institutional investors who were identified and selected by Jefferies (Australia) Pty Ltd acting as Lead Manager to the Placement;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Placement Shares were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company, other than FIL Limited and its associates, who became a substantial shareholder of the Company after completion of the Placement (issued 7,899,998 Placement Shares).



- (c) 8,557,895 Placement Shares were issued under the placement capacity available to the Company under Listing Rule 7.1;
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) the Placement Shares were issued on 25 January 2024;
- (f) the issue price was \$0.76 per Placement Share;
- (g) the purpose of the issue of the Placement Shares was to raise capital and the use of funds raised from this issue is set out in Section 5.2;
- (h) the Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement has been included for this Resolution.

5.6 Board Recommendation

The Board recommends that Shareholders vote in favour of the Resolution.

5.7 Voting Intention

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

6. Resolution 6 – Approval of issue of Executive Options to Director – Dr Richard Lipscombe

6.1 Background

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 to issue 2,600,000 Executive Options to Dr Richard Lipscombe, Managing Director of the Company (or his nominees), as a long-term incentive under the terms of his executive services agreement dated 20 September 2014.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in Sections 210 to 216); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit (in accordance with Sections 217 to 227).

The issue of Executive Options constitutes giving a financial benefit and Dr Lipscombe is a related party of the Company by virtue of being a Director.

The Directors of the Company (excluding Dr Lipscombe as he has a material personal interest in Resolution 6) consider that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act because the issue of Executive Options the subject of Resolution 6 constitutes reasonable remuneration payable to the Managing Director and was negotiated on an arm's length basis.

6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and has nominated a director to the board of the company pursuant to a relevant agreement that gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Executive Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Proteomics's shareholders under Listing Rule 10.11.

Resolution 6 seeks the required Shareholder approval for the issue of Executive Options under and for the purposes of Listing Rule 10.11.



6.4 Material Terms of Executive Services Agreement

The material terms of Dr Lipscombe's Executive Services Agreement are as follows:

| | |
|---------------------------|---|
| Name | Dr Richard Lipscombe |
| Title | Managing Director |
| Agreement commenced | 16 April 2015 |
| Term of agreement | No fixed term |
| Base salary | \$365,000 per annum (excluding statutory superannuation) |
| Leave entitlements | 30 days annual leave and no long service leave |
| Performance based bonuses | The Company may pay performance-based bonuses over and above salary, taking into consideration key performance indicators that it deems appropriate. |
| Termination of agreement | 1 month (incapacitated / ill / unsound mind), 1 month (serious or persistent breaches), immediate (conviction / major criminal offence), 3 months (if without reason) |

The Executive Services Agreement otherwise contains provisions standard for an agreement of employment including in relation to confidentiality and other general provisions.

6.5 Executive Options

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 2,600,000 Executive Options as follows:

| Director | Number of Tranche A Executive Options | Number of Tranche B Executive Options | Number of Tranche C Executive Options | Total Number of Executive Options |
|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| Dr Richard Lipscombe | 1,000,000 | 800,000 | 800,000 | 2,600,000 |

If Dr Lipscombe's Executive Services Agreement is terminated without cause, all vested, unvested and unexercised Executive Options will lapse unless determined by the Board in its absolute discretion. If Dr Lipscombe's executive services agreement is terminated with cause, all vested, unvested and unexercised Executive Options will lapse.

Each Executive Option entitles the holder to subscribe for one Share as follows:

| Executive Options Tranche | Exercise Price | Vesting Date | Expiry Date | Number of Options |
|---------------------------|----------------|----------------------------------|--------------------------------|-------------------|
| Tranche A | \$1.50 | Immediately | 3 years from the date of issue | 333,333 |
| Tranche A | \$1.50 | 12 months from the date of issue | 3 years from the date of issue | 333,333 |
| Tranche A | \$1.50 | 24 months from the date of issue | 4 years from the date of issue | 333,334 |
| Tranche B | \$2.50 | Immediately | 4 years from the date of issue | 266,666 |
| Tranche B | \$2.50 | 12 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche B | \$2.50 | 24 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche C | \$3.50 | Immediately | 4 years from the date of issue | 266,666 |
| Tranche C | \$3.50 | 12 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche C | \$3.50 | 24 months from the date of issue | 4 years from the date of issue | 266,667 |

The Executive Options will have a cashless exercise mechanism. Refer to Schedule 2 for the entire terms of the terms and conditions of the Executive Options.

6.6 Fair Value of Executive Options

The Simple European Call Option Model has been used to value the Executive Options, with the following assumptions:

- (i) the risk-free rate of interest of 3.45% for Tranche A, B and C Executive Options is the Australian Government 3 year bond rate as of 24 September 2024;
- (ii) the underlying security spot price of \$0.695 used for the purposes of this valuation is based on the Share price of the Company as at 24 September 2024;
- (iii) the estimated volatility used in the valuation is 70%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Executive Options will be issued on 8 November 2024.

Based on the above, the total of the fair value of the Executive Options at 24 September 2024 is as follows:

| Director | Fair Value of Tranche A Executive Options | Fair Value of Tranche B Executive Options | Fair Value of Tranche C Executive Options | Total Fair Value of Executive Options |
|----------------------|--|--|--|--|
| Dr Richard Lipscombe | \$195,628 | \$139,606 | \$104,318 | \$439,552 |

6.7 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of Executive Options and align the interests of Dr Lipscombe with the interests of Shareholders.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of Executive Options and then, the Company may need to consider some other form of commensurate compensation for Dr Lipscombe, such as a cash payment equivalent in value to the long-term incentive that would have been granted had Shareholder approval been obtained.

Approval pursuant to Listing Rule 7.1 is not required in order to issue Executive Options to Dr Lipscombe (or his nominees) under Resolution 6 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Executive Options to Dr Lipscombe (or his nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

6.8 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Executive Options pursuant to Resolution 6:

- The Options will be issued to Dr Richard Lipscombe (or his nominees), who falls within the category set out in Listing Rule 10.11.1 as Dr Lipscombe is a related party of the Company by virtue of being a Director.
- A total of 2,600,000 Executive Options to be issued to Dr Lipscombe as set out in Section 6.5.
- Refer to Schedule 2 for the entire terms and conditions of the Executive Options. The Shares issued on exercise of the Options will rank equally with the Company's existing Shares then on issue.
- The Company will issue the Executive Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- The Executive Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Options will raise funds if they are exercised by Dr Lipscombe (or his nominees) and the cashless exercise option is not utilised. The Executive Options may raise funds if they are exercised by Dr Lipscombe as follows:

| Director | Amount raised if Tranche A Executive Options are exercised | Amount raised if Tranche B Executive Options are exercised | Amount raised if Tranche C Executive Options are exercised | Total Amount raised if all Executive Options are exercised |
|----------------------|---|---|---|---|
| Dr Richard Lipscombe | \$1,500,000 | \$2,000,000 | \$2,800,000 | \$6,300,000 |

No decision has been made on how funds raised from the exercise of Executive Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.

- The primary purpose of the issue of the Executive Options to Dr Lipscombe (or his nominees) is to provide a performance linked long-term incentive component in his remuneration package to motivate and reward his performance in his role as Managing Director, and to ensure that this incentive is linked to value accretion for Shareholders.
- The total remuneration package of Dr Lipscombe for the previous financial year and the proposed total remuneration package for the current financial year are set out below:



| Director | Proposed in Current Financial Year 2025 | | Financial Year 2024 | |
|----------------------|---|------------------------------|-----------------------|---------------|
| | Salary and Fees \$ | Options ^{1,2} \$ | Salary and Fees \$ | Options \$ |
| Dr Richard Lipscombe | 406,975 | 439,552 | 415,346 | - |

Notes:

1. Assumes Resolution 6 is passed, and the Executive Options are issued to Dr Lipscombe (or his nominees).
 2. If the Executive Options are issued, the total remuneration package of Dr Lipscombe will increase by \$439,552, being the value of the Executive Options (based on the Black Scholes methodology). The value of \$439,552 will be apportioned over the vesting and three or four-year performance period. Fair value of the Executive Options is set out in Section 6.6.
- (h) A summary of the material terms of Dr Lipscombe’s Executive Services Agreement is set out in Section 6.4 above.
- (i) A voting exclusion statement has been included for the Resolution.

6.9 Board Recommendation

Dr Lipscombe declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of those Resolution on the basis that Dr Lipscombe is to be granted Executive Options in the Company should Resolution 6 be passed. In respect of Resolution 6, the Directors (other than Dr Lipscombe) recommend that Shareholders vote in favour of the Resolution for the following reasons:

- (a) the grant of Executive Options to Dr Lipscombe, will align the interests of Dr Lipscombe with those of Shareholders;
- (b) the grant of the Executive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Dr Lipscombe; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.

6.10 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 6.

7. Resolution 7 – Approval of issue of Options to Director – Dr James Williams

7.1 Background

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 to issue a total of 250,000 Options to newly appointed non-executive director, Dr James Williams (**Related Party**) as follows:

| Director | Number of Class E Director Options | Number of Class F Director Options | Total Number of Options |
|-------------------|---------------------------------------|---------------------------------------|-------------------------|
| Dr James Williams | 125,000 | 125,000 | 250,000 |

The Options will be issued on the terms set out at Schedule 3.

The Board considers the grant of Options to the Dr James Williams is reasonable in the circumstances given the Company’s size and stage of development, and that the incentives represented by the issue of the Director Options are a cost effective and efficient reward and incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation. It is also not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Currently, the Company’s Non-Executive Directors each receive director’s fees of \$47,250 per annum and the Non-Executive Chairman receives director’s fees of \$78,750 per annum (excluding statutory superannuation or GST). The remuneration that the Non-Executive Directors and Chairman receive for performing their duties as directors is slightly below the average remuneration levels for directors of companies with similar size to Proteomics. The grant of the Director Options is a cash free, effective and efficient way to provide Directors with an appropriate and market level of directors’ remuneration.

It should be noted that the Director Options only deliver economic value to the Related Party if the market price of Shares increases above the relevant exercise price, and only if the Related Party pays the necessary funds to the Company to convert the Director Options into Shares. The respective exercise prices of the Director Options have been set to align the interests of the Related Party with all interests of the Company’s Shareholders such that rewards are



only obtained if the market price of the Shares increases.

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in Sections 210 to 216); or
- (b) prior shareholder approval is obtained to the giving of the financial benefit (in accordance with Sections 217 to 227).

The issue of Director Options constitutes giving a financial benefit and Dr Williams is a related party of the Company by virtue of being a Director.

The Directors of the Company (excluding Dr Williams as he has a material personal interest in Resolution 7) consider that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act because the issue of Director Options the subject of Resolution 7 is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and has nominated a director to the board of the company pursuant to a relevant agreement that gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rule 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Director Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Proteomics's shareholders under Listing Rule 10.11.

Resolution 7 seeks the required shareholder approval for the issue of Director Options under and for the purposes of Listing Rule 10.11.

7.4 Material Terms of the Agreements

The material terms of the letter of appointment of the Related Party (**Agreement**) are as follows:

| | |
|---------------------|--|
| Name | James Williams |
| Title | Non-Executive Director |
| Agreement commenced | 16 September 2024 |
| Term of agreement | No fixed term – subject to periodic re-election at the AGM |
| Base remuneration | \$47,250 per annum, plus statutory superannuation entitlements |
| Termination | None specified |

The Agreement otherwise sets out key terms and conditions of the appointment of the director, including duties, obligations, rights and responsibilities, the time commitment envisaged, confidentiality and other general provisions.

7.5 Fair Value of Options

The Simple European Call Option Model has been used to value the Director Options, with the following assumptions:

- (i) the risk-free rate of interest of 3.45% for Class E and Class F Director Options is the Australian Government 3 year bond rate as of 24 September 2024;
- (ii) the underlying security spot price of \$0.695 used for the purposes of this valuation is based on the Share price of the Company as at 24 September 2024;
- (iii) the estimated volatility used in the valuation is 70%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and



- (v) for the purposes of the valuation it is assumed that the Director Options will be issued on 8 November 2024.

Based on the above, the total of the fair value of the Director Options at 24 September 2024 is as follows:

| Director | Fair Value of Class E Director Options | Fair Value of Class F Director Options | Total Fair Value of Options |
|-------------------|---|---|------------------------------------|
| Dr James Williams | \$24,454 | \$21,813 | \$46,267 |

7.6 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of Director Options and align the interests of the Related Party with the interests of Shareholders.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Director Options and then, the Company may need to consider some other form of commensurate compensation for the Related Party, including increasing fees paid to the Related Party.

Approval pursuant to Listing Rule 7.1 is not required in order to issue Director Options to the Related Party (or his nominees) under Resolution 7 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party (or his nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

7.7 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Director Options pursuant to Resolution 7:

- (a) The Options will be issued to Dr James Williams (or his nominees) who falls within the category set out in Listing Rule 10.11.1, by virtue of being a Director.
- (b) The maximum number of Director Options to be issued to the Related Party is as set out in Section 7.1.
- (c) Refer to Schedule 3 for the entire terms and conditions of the Director Options. The Shares issued on exercise of the Director Options will rank equally with the Company's existing Shares then on issue.
- (d) The Company will issue the Director Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur on one date.
- (e) The Director Options will be issued for nil cash consideration. Accordingly, no funds will be raised. However, the Director Options will raise funds if they are exercised by the Related Party (or his nominees). The Director Options may raise funds if they are exercised by the Director as follows:

| Director | Amount raised if Class E Director Options are exercised | Amount raised if Class F Director Options are exercised | Total Amount raised if all Director Options are exercised |
|-------------------|--|--|--|
| Dr James Williams | \$187,500 | \$312,500 | \$500,000 |

No decision has been made on how funds raised from the exercise of Director Options will be used. The Board will consider the circumstances of the Company at the time the funds are raised.

- (f) The primary purpose of the issue of the Director Options to the Related Party (or his nominees) is to:
- (i) provide a cash-free, effective and efficient method of remunerating the Related Party for his commitment and contribution to the Company; and
- (ii) align the interests of the Related Party with the interests of Shareholders.
- (g) The total remuneration package of each the Related Party for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Director | Proposed in Current Financial Year 2025 | | Financial Year 2024 | |
|--------------------------------|--|-------------------------------------|-------------------------------|-------------------------------------|
| | Salary and Fees \$ | Options^{2,3} \$ | Salary and Fees \$ | Options^{3,4} \$ |
| Dr James Williams ¹ | 41,569 | 46,267 | - | - |

Notes:

1. Appointed as a non-executive director of the Company on 16 September 2024.

2. Assumes Resolution 7 is passed, and the Director Options are issued to the Related Party.
 3. Fair value of the Options is set out in Section 7.5.
- (h) A summary of the material terms of Dr Williams' letter of appointment as Non-Executive Director are set out in Section 7.4 above.
- (i) A voting exclusion statement has been included for each Resolution.

7.9 Board Recommendation

Dr Williams declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that Dr Williams is to be granted Director Options in the Company should Resolution 7 be passed. In respect of Resolution 7, the Directors (other than Dr Williams) recommend that Shareholders vote in favour of the Resolution for the following reasons:

- (a) the grant of Director Options to the Related Party, will align the interests of the Related Party with those of Shareholders;
- (b) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.

7.10 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 7.

8. Background to Resolutions 8 and 9 – Flexibility to make offers of Equity Based Incentives to Employees

8.1 Equity Based Remuneration Framework

Equity based incentives assist the Company in recruiting, retaining and incentivising employees who have the necessary skills and experience to enable the Company to effectively advance its business model and to grow shareholder value.

The Company is at a critical stage of growth as it seeks to bring its pipeline of new novel diagnostic tests, exemplified by PromarkerD, PromarkerEndo and PromarkerEso, to major markets across the world.

To achieve this outcome, the Company believes that incentivising and rewarding performance and the achievement of key objectives through non-cash equity arrangements is the most effective remuneration structure because it preserves the Company's cash resources and aligns the interests of employees with those of all Shareholders.

As a result, PILL makes annual offers of Performance Rights to employees and longer-term offers of Options to the management team under its Incentive Performance Rights Plan and an Employee Incentive Options Plan, respectively.

8.2 ASX limits under Listing Rule 7.2 (Exception 13(b))

The Company is able to issue the maximum number to Performance Rights and Options specified in the table below to eligible participants (who are not related parties) under its plans over a period of 3 years from the date of the relevant annual general meeting and those securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

| Employee Incentive Plan | Maximum number of securities that may be issued under Listing Rule 7.2 (Exception 13(b)) (ASX limit) | Date of Shareholder approval | Number of securities that have been issued as of the date of this Notice | Number of securities available under Listing Rule 7.2 (Exception 13(b)) | Date of expiry of Shareholder approval |
|-----------------------------------|--|------------------------------|--|---|--|
| Incentive Performance Rights Plan | 5,000,000 | 24 Nov 2022 | 124,344 | 4,875,656 | 24 Nov 2025 |
| Employee Incentive Options Plan | 6,110,000 | 23 Nov 2023 | 3,040,000 | 3,070,000 | 23 Nov 2026 |

Further details of the requirements of Listing Rule 7.2 (Exception 13(b)) are set out in Section 9.2 below.

8.3 ASIC issue cap under section 1100V of the Corporations Act

The Company is subject to an issue cap of 5% for offers made under its employee incentive plans during a rolling 3-year period. Although the issue cap strictly applies to offers requiring monetary payment (whether upon grant or upon exercise/vesting of the awards and issue of the underlying shares), because the Company makes offers of both Performance Rights and Options, the 5% issue cap applies to all offers made during a rolling 3-year period under PILL's plans – for monetary consideration as well as any securities issued for no consideration or under a disclosure exemption.

Further details of the requirements of section 1100V of the Corporations Act are set out in Section 10.1 below.

8.4 Recent and proposed offers under Employee Incentive Options Plan

On 17 June 2024, the Company issued a total of 3,040,000 Options under the Employee Incentive Options Plan as part of the incentive structures for the management team:

- 1,520,000 Options with an exercise price of \$1.50 per option and expiry date of 30 June 2027 (**FY24 Class A Options**);
- 912,000 Options with an exercise price of \$2.50 per option and expiry date of 30 June 2027 (**FY24 Class B Options**);
- 608,000 Options with an exercise price of \$3.50 per option and expiry date of 30 June 2028 (**FY24 Class C Options**).

The Company plans to issue a further 3,040,000 Options under the Employee Incentive Options Plan, with an exercise price of \$5.00 per option and expiry date of 30 June 2028 (**FY24 Class D Options**), following Shareholder approval to increase the ASX and ASIC issue caps under Resolutions 8 and 9.

8.5 Overview

As of the date of this Notice, PILL has used almost 50% of the ASX limit applying to the Employee Incentive Options Plan and more than 50% of the ASIC issue cap applying to its employee incentive plans. The Company wishes to have the flexibility to use non-cash equity remuneration to attract, retain and incentivise employees to achieve key short and long-term incentives to generate sustainable shareholder value. The Company is well advanced in its plans to add the necessary capabilities and experience to the Board and senior management to accelerate and enhance the transition to full commercialisation.

As a result, the Company is seeking Shareholder approval as follows:

- Resolution 8: to increase the maximum number of Options issued under the Company's Employee Incentive Options Plan to 22,690,407 during the 3-year period from the date of Shareholder approval at the Meeting in accordance with Listing Rule 7.2 (Exception 13(b)); and
- Resolution 9: to increase the issue cap that applies to offers made during a rolling 3-year period under the Company's employee incentive plans from 5% to 20% pursuant to section 1100V of the Corporations Act.

9. Resolution 8 – Approval to Increase Maximum Options Under the Company's Employee Incentive Options Plan

9.1 General

Resolution 8 seeks Shareholder approval to increase the maximum number of Securities that may be issued under the Company's Employee Incentive Options Plan (**Plan**) from the present maximum of 6,110,000 Options to a maximum of 22,690,407 Options.

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

9.2 Listing Rule 7.1 and Listing Rule 7.2 (Exception 13(b))

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 shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect

of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 8 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years. The issue of any Options to eligible participants under the Plan (up to the maximum number of Options stated in Section 9.3(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Options under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 8 is not passed, the Company will be able to proceed with the issue of Options under the Plan to eligible participants, but any issues of Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Options.

9.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 8:

- (a) a summary of the key terms and conditions of the Employee Incentive Options Plan is set out in Schedule 4;
- (b) the Company has issued a total of 3,040,000 Options under the Plan since it was adopted by Shareholders on 23 November 2023;
- (c) the maximum number of Options proposed to be issued under the Employee Incentive Options Plan, following Shareholder approval, is 22,690,407 Options. It is not envisaged that the maximum number of Options for which approval is sought will be issued immediately, but the Company wishes to retain flexibility to incentivise new and existing employees. The Company may also seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Options under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained; and
- (d) a voting exclusion statement and a voting prohibition statement has been included for this Resolution.

10. Resolution 9 – Amendment to Constitution

10.1 Background

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 9 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to increase the issue cap for purposes of section 1100V(2) of the Corporations Act, to allow for more than 5% of Convertible Securities to be issued under the Company's employee incentive plans.

Under Division 1A of Part 7.12 of the Corporations Act, offers under an employee incentive plan requiring a monetary payment (whether upon grant or upon exercise/vesting of the awards and issue of the underlying shares) must be accompanied by an 'ESS offer document' in accordance with section 1100Q and must comply with the issue cap in section 1100V of the Corporations Act.

Under section 1100V(2) of the Corporations Act, the issue cap is 5% during a rolling 3-year period unless a higher issue cap is included in a company's constitution. The issue cap does not apply if a company only makes offers under an employee incentive plan that do not require a monetary payment (e.g., zero exercise price options or performance rights). However, if some offers are also made for monetary consideration in reliance on section 1100Q of the Corporations Act, then equity issued for no monetary consideration or under another disclosure exemption subject to section 1100R of the Corporations Act, must also be included when calculating the issue cap.

Given the above, the Company is proposing to amend the Constitution to set the issue cap at 20%, subject to the passing of this Resolution.

The Proposed Constitution provides for a cap of 20% and while it is not expected that the Company will issue that number of securities under its employee incentive plans during a rolling 3-year period, the Company wishes to ensure it has the flexibility to implement appropriate incentive arrangements for the recruitment of additional personnel as its business activities expand.

A copy of the Amended Constitution is available for review by Shareholders at the Company's website www.proteomicsinternational.com and at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company by email at enquiries@proteomicsinternational.com. Shareholders are invited to contact the Company if they have any queries or concerns.

DEFINITIONS

\$ means an Australian dollar.

Amended Constitution has the meaning given to it in Section 10.

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 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).

Current Plan has the meaning given to that term in Section 9.1.

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

Employee Incentive Options Plan has the meaning given to that term in Section 9.1.

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.

Placement Shares has the meaning given to that term in Section 5.1.



Proteomics International

LABORATORIES LTD

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.

Section means a section in the Notice.



SCHEDULE 1

NOMINATION OF AUDITOR

The Company Secretary
Proteomics International Laboratories Ltd
Suite 13, The Atrium
123A Colin Street
West Perth WA 6005

Dear Sir or Madam,

Nomination of Auditor

I am a shareholder of Proteomics International Laboratories Ltd.

For the purposes of section 328B(1) of the *Corporations Act 2001* (Cth) (the **Corporations Act**), I hereby nominate BDO Audit Pty Ltd of Level 9, Mia Yellagonga Tower 2 5 Spring Street, Perth, WA, 6000, Australia to be appointed as auditor of the Company at the annual general meeting of Proteomics International Laboratories Ltd to be held on 1 November 2024.

Please distribute copies of this notice of nomination as required by section 328B(1) of the Corporations Act.

Your sincerely,

Konrad Floan

Date: 27 September 2024

SCHEDULE 2

TERMS AND CONDITIONS OF EXECUTIVE OPTIONS

The terms and conditions attaching to the Executive Options are set out below:

(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 as follows:

| Executive Options Tranche | Number of Options | Exercise Price |
|---------------------------|-------------------|----------------|
| Tranche A | 1,000,000 | \$1.50 |
| Tranche B | 800,000 | \$2.50 |
| Tranche C | 800,000 | \$3.50 |

(c) **Expiry Date**

The Expiry Date of each Option will be as follows:

| Executive Options Tranche | Expiry Date |
|---------------------------|--------------------------------|
| Tranche A | 3 years from the date of issue |
| Tranche B | 4 years from the date of issue |
| Tranche C | 4 years from the date of issue |

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date

(d) **Vesting**

The Options may be exercised by the Optionholder once vested as follows:

| Executive Options Tranche | Exercise Price | Vesting Date | Expiry Date | Number of Options |
|---------------------------|----------------|----------------------------------|--------------------------------|-------------------|
| Tranche A | \$1.50 | Immediately | 3 years from the date of issue | 333,333 |
| Tranche A | \$1.50 | 12 months from the date of issue | 3 years from the date of issue | 333,333 |
| Tranche A | \$1.50 | 24 months from the date of issue | 4 years from the date of issue | 333,334 |
| Tranche B | \$2.50 | Immediately | 4 years from the date of issue | 266,666 |
| Tranche B | \$2.50 | 12 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche B | \$2.50 | 24 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche C | \$3.50 | Immediately | 4 years from the date of issue | 266,666 |
| Tranche C | \$3.50 | 12 months from the date of issue | 4 years from the date of issue | 266,667 |
| Tranche C | \$3.50 | 24 months from the date of issue | 4 years from the date of issue | 266,667 |

(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 five 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 Optionholder 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 not transferrable.

(m) **Forfeiture condition**

Options will be forfeited in the following circumstances:

- (i) when the executive director ceases to be an executive director of the Company;
- (ii) when the executive director acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Options to be forfeited;
- (iii) on the date the director becomes insolvent; or
- (iv) on expiry of the Options,

subject to discretion of the Board.

(n) **Cashless exercise**

In lieu of paying the aggregate Exercise Price under paragraph (b), the Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = [B \times (C - D)] / C$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder pursuant to this paragraph (n);

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Options being exercised;

C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the Notice of Exercise; and

D = the Exercise Price.

For the purposes of this paragraph (n), **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

SCHEDULE 3

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The terms and conditions attaching to the Director Options are set out below:

- (a) Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.
- (b) The exercise price means:
 - (i) for each Director E Option, \$1.50 each Option.;
 - (ii) for each Director F Option, \$2.50 each Option,
(each, an **Exercise Price**).
- (c) The Options will expire at 5:00pm AWST on:
 - (i) the date that is 3 years from the date of grant for each Director E Option; and
 - (ii) the date that is 4 years from the date of grant for each Director F Option,
(each, an **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) The Options will be forfeited in the following circumstances:
 - (i) when the director ceases to be a director of the Company;
 - (ii) when the director acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Options to be forfeited;
 - (iii) on the date the director becomes insolvent; or
 - (iv) on expiry of the Options,
subject to discretion of the Board.
- (e) 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.
- (f) 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.
- (g) The Options are not transferrable.
- (h) Exercise of options
 - (a) 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.
 - (b) 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**).
 - (c) Within five 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 (h)(a) 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



Proteomics International

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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.

- (i) Application for quotation of the Options on the ASX will not be made.
- (j) 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.
- (k) There are no participation rights or entitlements inherent in the Options and Option 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.
- (l) 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.

SCHEDULE 4

TERMS AND CONDITIONS OF THE EMPLOYEE INCENTIVE OPTIONS PLAN

A summary of the material terms of the Company's Employee Incentive Options Plan (**Plan**) is set out below:

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| Eligible Participant | Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time. |
| Purpose | The purpose of the Plan is to: <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of options (Options). |
| Maximum number of Options | The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Options offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 20% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b). The maximum number of equity securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exemption 13(a)). The present maximum number of Securities issuable under the Plan is 6,110,000 Options. If Resolution 8 is passed, the Company will be able to issue a maximum of 22,690,407 Options under the Plan. |
| Plan administration | The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion. |
| Eligibility, invitation and application | The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Options provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Options the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. |
| Grant of Options | The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Options, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required. |
| Rights attaching to Options | Prior to an Option being exercised, the holder: <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Option other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Options section below). |



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| Restrictions on dealing with Options | <p>Options issued under the Plan cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Options may be exercisable on terms determined by the Board.</p> <p>A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Option that has been granted to them.</p> |
| Vesting of Options | <p>Any vesting conditions applicable to the Options will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Options have vested. Unless and until the vesting notice is issued by the Company, the Options will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Option are not satisfied and/or otherwise waived by the Board, that security will lapse.</p> |
| Forfeiture of Options | <p>Options will be forfeited in the following circumstances:</p> <ul style="list-style-type: none">(a) in the case of unvested Options only, where the holder ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Company and any Associated Bodies Corporate (as defined in the Corporations Act) (the Group))(b) where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Convertible Securities held by a Participant to have been forfeited;(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;(d) on the date the Participant becomes insolvent; or(e) on the expiry date of the Options, <p>subject to the discretion of the Board.</p> |
| Listing of Options | <p>An Option granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p> |
| Exercise of Options and cashless exercise | <p>To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Option (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation to apply for Options may specify that at the time of exercise of the Options, the Participant may elect not to be required to provide payment of the exercise price for the number of Options specified in a notice of exercise, but that on exercise of those Options the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Options.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>An Option may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p> |
| Timing of issue of Shares and quotation of Shares on exercise | <p>Within five business days after the issue of a valid notice of exercise by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Options held by that Participant.</p> |
| Restriction periods and restrictions on transfer of Shares on exercise | <p>If the invitation provides that any Shares issued upon the valid exercise of an Option are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>Additionally, Shares issued on exercise of the Options are subject to the following restrictions:</p> |



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| | <p>(a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act;</p> <p>(b) all Shares issued on exercise of the Options are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and</p> <p>(c) all Shares issued on exercise of the Options are subject to the terms of the Company's Securities Trading Policy.</p> |
| Rights attaching to Shares on exercise | All Shares issued upon exercise of the Option will rank equally in all respects with the then Shares of the Company. |
| Change of control | If a change of control event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), the Board may in its discretion determine the manner in which any or all of the holder's Options will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event. The Board may specify in the Invitation how the Options will be treated on a change of control event occurring, or the Board determining that such event is likely to occur, which may vary depending upon circumstances in which the Participant becomes a leaver and preserve some or all of the Board's discretion under this rule. |
| Participation in entitlements and bonus issues | Subject always to the rights under the following two paragraphs, Participants will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues. |
| Adjustment for bonus issue | If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Participant is entitled, upon exercise of the Options, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Options are exercised. |
| Reorganisation | If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Options will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. |
| Buy-Back | Subject to applicable law, the Company may at any time buy-back Options and Shares issued upon exercise of Options in accordance with the terms of the Plan. |
| Employee Share Trust | The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Options for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options. |
| Amendment of Plan | <p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Options have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p> |
| Plan duration | <p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Options granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Options may be cancelled in the manner agreed between the Company and the Participant.</p> |



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| Income Tax Assessment Act | The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise. |
| Withholding | <p>Notwithstanding any other provision of these Rules, and without limiting the amounts which may be deducted or withheld under Applicable Laws, if a member of the Group, a trustee or the Plan administrator is obliged, or reasonably believes that it may have an obligation to account for any Tax, or any superannuation amounts (or equivalent social security contributions, if applicable) in respect of a Participant (Withholding Amount), then that Group company, trustee or Plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid.</p> <p>To give effect to clause 19(a), the relevant Group company, trustee or Plan administrator may take any actions as it sees fit to ensure payment of, or recover (as applicable), the Withholding Amounts including (without limitation):</p> <ul style="list-style-type: none">(a) selling on behalf of the Participant the number of Shares granted under this Plan required to provide the Withholding Amount;(b) obtaining the Withholding Amount from the Participant (by salary deduction or otherwise);(c) forfeiting a sufficient number of Securities to satisfy the Withholding Amount; or(d) making any other arrangements with the Participant for payment or reimbursement of the Withholding Amount. |