



**ResApp Health Limited**  
**ACN 094 468 318**

**Notice of Annual General Meeting  
And  
Explanatory Statement**

**Annual General Meeting of Shareholders to be held at  
Four Seasons Hotel Sydney,  
199 George Street, Sydney  
at 2pm (AEST) on Wednesday, 2 November 2016.**

**Important**

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

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of ResApp Health Limited ACN 094 468 318 (**Company**) will be held at the Four Seasons Hotel Sydney, 199 George Street, Sydney commencing at 2pm (AEST) on 2 November 2016.

### Business

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#### Item 1 – Annual Report

To receive and consider the Annual Report of the Company for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

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#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass 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, the Remuneration Report for the year ended 30 June 2016 be adopted.”*

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

##### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution:

- (a) by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- (c) as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman pursuant to an express authorisation to exercise the proxy.

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#### Resolution 2 – Re-election of Mr Brian Leedman as a Director

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

*“That Mr Brian Leedman, who was appointed as a Director by the Board on 22 February 2016 and in accordance with clause 13.2 of the Company's Constitution holds office until this Annual General Meeting, and who is eligible and offers himself for re-election, is re-elected as a Director.”*

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#### Resolution 3 – Re-election of Mr Chris Ntoumenopoulos as a Director

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

*“That Mr Chris Ntoumenopoulos, who retires by rotation in accordance with clause 16.1 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director.”*

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#### Resolution 4 – Approval of Employee Incentive Plan

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

*“That in accordance with Exception 9 of Listing Rule 7.2, and for all other purposes, Shareholders approve the Employee Incentive Plan and the issue of Options and Shares under the Employee Incentive Plan, as described in the Explanatory Memorandum.”*

##### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by the Directors and any of their Associates.

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 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 the relevant Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
  - (a) the appointment expressly authorises the Chair to exercise the proxy even though the relevant Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## Resolution 5 – Ratification of issue of Options to Eligible Employees

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 2,000,000 Employee Options to Eligible Employees under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any vote if:

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

## Resolution 6 – Approval of issue of Director Incentive Options to Dr Roger Aston

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,800,000 Tranche 1 Director Incentive Options and 1,800,000 Tranche 2 Director Incentive Options to Dr Roger Aston (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”*

### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by the Directors and any of their Associates.

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 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 the relevant Resolution.

However, the above prohibition does not apply if:

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

## Resolution 7 – Approval of issue of Director Incentive Options to Mr Chris Ntoumenopoulos

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,800,000 Tranche 1 Director Incentive Options and 1,800,000 Tranche 2 Director Incentive Options to Mr Chris Ntoumenopoulos (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”*

### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by the Directors and any of their Associates.

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 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 the relevant Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
  - (d) the appointment expressly authorises the Chair to exercise the proxy even though the relevant Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## **Resolution 8 – Approval of issue of Director Incentive Options to Mr Brian Leedman**

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,800,000 Tranche 1 Director Incentive Options and 1,800,000 Tranche 2 Director Incentive Options to Mr Brian Leedman (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”*

### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by the Directors and any of their Associates.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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## **Resolution 9 – Approval of issue of Director Incentive Options to Dr Tony Keating**

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,800,000 Tranche 1 Director Incentive Options and 2,000,000 Tranche 2 Director Incentive Options to Dr Tony Keating (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement.”*

### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by the Directors and any of their Associates.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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## **Resolution 10 – Ratification of issue of Consultancy Incentive Options to Dr Paul Porter**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 1,000,000 Tranche 1 Consultancy Incentive Options and 1,000,000 Tranche 2*

*Consultancy Incentive Options to Dr Paul Porter on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Dr Paul Porter and any person associated with Dr Paul Porter.

However, the Company need not disregard any vote if:

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

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**Resolution 11 – Ratification of issue of Consultancy Incentive Options to Dr Udantha Abeyratne**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the issue of 1,000,000 Tranche 1 Consultancy Incentive Options and 1,000,000 Tranche 2 Consultancy Incentive Options to Dr Udantha Abeyratne on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Dr Udantha Abeyratne and any person associated with Dr Udantha Abeyratne.

However, the Company need not disregard any vote if:

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

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**Resolution 12 – Ratification of issue of Shares under April Placement**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 62,500,000 Shares to Exempt Investors under the April Placement on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any vote if:

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

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**Resolution 13 – Ratification of issue of Advisory Shares and Advisory Options under April Placement**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 1,016,250 Advisory Shares and 4,500,000 Tranche 1 Advisory Options and 1,866,667 Tranche 2 Advisory Options under the April Placement on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this Resolution and any person associated with those persons.

However, the Company need not disregard any vote if:

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

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**Resolution 14 – Approval of 10% Placement Facility**

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

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

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by any person who may participate in an issue under the 10% Placement Facility and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard any vote if:

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

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**Resolution 15 – Appointment of Auditor**

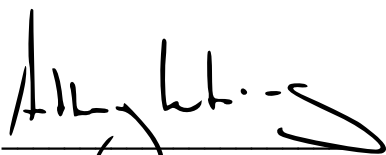
To consider and, if thought fit, pass the following as an **ordinary resolution**:

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company with effect on and from the close of the Annual General Meeting.”*

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**Other business**

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

**By Order of the Board**

Tony Keating  
Managing Director and Chief Executive Officer  
ResApp Health Limited  
16 September 2016

# EXPLANATORY STATEMENT

## Important information

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at the Four Seasons Hotel Sydney, 199 George Street, Sydney commencing at 2pm (AEST) on Wednesday, 2 November 2016.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## 1 Proxies

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Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a 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 or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1, 4 and 6 to 9 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chair) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1, 4 and 6 to 9.

If a Shareholder intends to appoint the Chair as its proxy on Resolutions 1, 4 and 6 to 9, the Shareholder can direct the Chair how to vote by marking one of the boxes for those Resolutions (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chair how to vote, the Shareholder can expressly authorise the Chair to vote as the Chair thinks fit on Resolutions 1, 4 and 6 to 9 by marking the appropriate box on the Proxy Form even though those Resolutions are connected to the remuneration of members of Key Management Personnel and even if the Chair has an interest in the outcome of those Resolutions.

## 2 Voting entitlements

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In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on 31 October 2016. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

## 3 Item 1 – Annual Report

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The Annual Report, comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report for the year ended 30 June 2016, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these Reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about these Reports and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions about the:

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

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the Auditor's Report or the conduct of the audit, may be submitted no later than 5 business days before the date of the Annual General Meeting to the Company Secretary at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA 6000, or by facsimile to +61 8 9218 8875.

The Company's Annual Report is available on the Company's website at [www.resapphealth.com.au](http://www.resapphealth.com.au).

## 4 Resolution 1 – Adoption of Remuneration Report

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The Remuneration Report of the Company for the financial year ended 30 June 2016 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is "advisory only" resolutions which does not bind the Directors. Under section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2017 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting (**Spill Meeting**) to consider the appointment of the Directors (**Spill Resolution**).



If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company's 2017 annual general meeting. All of the Directors who are in office when the Company's 2017 Directors' Report is 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 is approved will be the directors of the Company.

## **5 Resolution 2 – Re-election of Mr Brian Leedman as a Director**

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In accordance with clause 13.2 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board must retire from office at, and will be eligible for re-election at the next annual general meeting following their appointment, but that Director will not be taken into account in determining the number of Directors who are to retire by rotation.

Mr Leedman was appointed to the Board on 22 February 2016 and, being eligible, offers himself for re-election at the Annual General Meeting.

Mr Leedman is a co-founder of the Company and currently serves in the role of Vice President, Corporate Affairs. Mr Leedman is a marketing and investor relations professional with over 10 years' experience in the biotechnology/healthcare industry. Prior to the Company, Mr Leedman co-founded Enigma Therapeutics which listed on the ASX in 2013 as Oncosil Medical Limited.

Mr Leedman was also a founding Director of Biolife Science Limited which listed on the ASX as Imugene Limited in 2013. Mr Leedman previously served for 10 years as Vice President, Investor Relations for pSivida Corp. which is listed on the ASX and NASDAQ. He is currently the Western Australian chair of AusBiotech, the association of biotechnology companies in Australia.

The Directors (excluding Mr Leedman) unanimously recommend that Shareholders vote in favour of Resolution 2. Resolution 2 is an ordinary resolution.

## **6 Resolution 3 – Re-election of Mr Chris Ntoumenopoulos as a Director**

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In accordance with clause 16.1 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Chris Ntoumenopoulos retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

Mr Ntoumenopoulos has worked in financial markets for the past 12 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO. He is an executive director of various private companies which span across finance, technology and medical sectors.

The Directors (excluding Mr Ntoumenopoulos) unanimously recommend that Shareholders vote in favour of Resolution 3. Resolution 3 is an ordinary resolution.

## **7 Resolution 4 – Approval of Employee Incentive Plan**

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Resolution 4 is an ordinary resolution which provides for the approval of the proposed employee incentive plan of the Company (**Plan**). A copy of the Plan is included as Annexure E and a summary of the Plan is set out below. This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan.

By the date of this Meeting, it is anticipated that 2 million Options will have been issued under the Plan (see Section 8 for further information).

The Plan forms what the Board considers to be an important element of the Company's total remuneration strategy for officers and staff. The Board resolved to adopt the Plan on 9 September 2016, and is now seeking Shareholder approval of the Plan.

## **7.1 Summary of the Plan**

### **(a) Objectives**

The primary objectives of the Plan are to:

- (i) establish a method by which eligible participants can participate in the future growth and profitability of the Company;
- (ii) to provide an incentive and reward for eligible participants for their contribution to the Company; and
- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Set out below is a summary of the Plan Rules.

### **(b) Eligible Participants**

Under the Plan, an option (**Option**) is a right to subscribe for or acquire a fully paid ordinary share in the capital of the Company (**Share**). The Board at its sole discretion may invite any eligible person selected by it to complete an application relating to a specified number of Options allocated to that eligible person by the Board. The Board may offer Options to any eligible person it determines and determine the extent of that person's participation in the Plan (**Participant**).

An offer by the Board is required to specify, among other things, the date and total number of Options granted, exercise price and exercise period for the Options and any other matters the Board determines necessary, including the exercise conditions attaching to the Options.

### **(c) 5% Limit**

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

### **(d) Option Rights**

Unless the Board determines otherwise, Options granted under the Plan are not capable of being transferred or encumbered by a Participant. Options do not carry any voting or dividend rights however Shares issued to Participants on the exercise of an Option carry the same rights and entitlements as other Shares on issue. The Company will not seek quotation of any Options on the ASX however will seek quotation for Shares issued on the exercise of Options.

### **(e) Exercise of Options**

At the sole and absolute discretion of the Board, and in general terms, Options granted under the Plan may only be exercised if particular exercise or vesting conditions have been met, the exercise price has been paid to the Company and the Options are exercised within the exercise period relating to the Option. An Option granted under the Plan may not be exercised once it has lapsed.

### **(f) Cashless Exercise Facility**

Under the terms of the Plan, a Participant may request to pay the Exercise Price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the

Exercise Price has been set off. Any such request must be expressly made by the Participant in the Exercise Notice. The Board may approve or refuse the request in its sole and absolute discretion.

**(g) Change of Control Event**

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results in the holders of Shares holding 50% or less of the voting shares in the Company, the Board may in its sole discretion determine that all or a percentage of unvested Options will vest and become exercisable in accordance with the Plan Rules.

**(h) Cessation of Employment**

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy dismissal for cause or poor performance on or before the relevant exercise period, the Options will lapse.

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy dismissal for cause or poor performance during the exercise period, the expiry date is adjusted to 60 days (in cases of resignation or redundancy) or 30 days (in cases of dismissal for cause or poor performance) after the termination date (or a later date determined by the Board).

**(i) Fraudulent Behaviour**

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any Option granted to that Participant should lapse, and the Option will lapse accordingly.

**(j) Reconstruction of Share Capital**

If the event of any reconstruction of the share capital of the Company, the number of Options to which each Participant is entitled and/or the exercise price of those Options must be reconstructed in accordance with the ASX Listing Rules. Options must be reconstructed in a manner which is fair with respect to the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

**(k) Participation Rights**

Holders of Options issued under the Plan may only participate in new issues of securities by the Company if they have first exercised their Options within the relevant exercise period and become a shareholder of the Company prior to the relevant record date and are then only entitled to participate in relation to Shares of which they are a registered holder.

**(l) Compliance with Laws**

Options may not be granted and/or Shares may not be allotted and issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan Rules contain customary and usual terms having regard to Australian law for dealing with administration, variation and termination of the Plan.

## **7.2 Listing Rule 7.2, Exception 9(b)**

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds

15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Under Exception 9(b) in Listing Rule 7.2, shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of equity securities in the Company made under an employee share option plan within three years of the approval.

The grant of any securities to a director of the Company will require specific approval under Listing Rule 10.14.

### **7.3 Directors' recommendation**

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

## **8 Resolution 5 – Ratification of issue of Employee Options to Eligible Employees**

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Resolution 5 seeks approval for the ratification of a total of 2,000,000 Employee Options which are anticipated to be issued under the Plan to Eligible Employees prior to the date of the Meeting.

### **8.1 Listing Rule 7.4**

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

### **8.2 Listing Rule 7.5**

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 5 for the purposes of Listing Rule 7.4:

- (a) A maximum of 2,000,000 Employee Options will have been issued pursuant to the terms of the Plan.
- (b) The Employee Options will have been issued for nil cash consideration.
- (c) Full terms of the Employee Options are set out in Annexure D.
- (d) The Employee Options will be issued as an incentive and reward for eligible employees of the Company and in recognition of their contribution to the Company to date.
- (e) No funds will be raised from the issue of the Employee Options.

### **8.3 Directors' recommendation**

The Directors unanimously recommend you vote in favour of Resolution 5.

## **9 Resolutions 6 to 9 – Proposed issue of Director Incentive Options to Directors and/or their nominees**

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Resolutions 6 to 9 seek the approval of Shareholders to issue a total of 14,600,000 Incentive Options to the Directors, being Dr Roger Aston, Mr Chris Ntoumenopoulos, Mr Brian Leedman and Dr Tony Keating (and/or their nominees). Approval is sought pursuant to section 208 of the Corporations Act and Listing Rule 10.14.

### **9.1 Background**

The Director Incentive Options contemplated by Resolutions 6 to 9 will be issued to the Directors to align the long term goals of the Directors with that of Shareholders and to establish an incentive for the Directors to provide ongoing dedicated services to the Company. These Director Incentive Options are intended to provide remuneration to the Directors (and/or their nominees) that is linked to the performance of the Company. The benefit would only be received from the Director Incentive Options upon the Share price exceeding the exercise price of the Director Incentive Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive noted above, represented by the issue of Director Incentive Options, is a cost effective and efficient reward and incentive to provide the Directors, as opposed to alternative forms of incentive such as the payment of cash compensation only. In addition, the Directors consider it prudent to remunerate the Directors by way of Director Incentive Options so as to preserve the cash reserves of the Company.

The Company proposes that there will be two tranches of Director Incentive Options. Tranche 1 Director Incentive Options will be exercisable at the price equal a 20% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016. The Director Incentive Options shall be issued, and will vest, upon approval by the Shareholders of Resolutions 6 to 9, and expire within 3 years of the issue date.

Tranche 2 Director Incentive Options will be exercisable at a price being a 100% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016. The Director Incentive Options shall be issued, and will vest, upon approval by the Shareholders of Resolutions 6 to 9, and expire within 3 years of the issue date.

The full terms and conditions of the Director Incentive Options to be granted to the Directors (and/or their nominees) are set out in Annexure B.

### **9.2 Section 208 of the Corporations Act**

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

Each of the Directors is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Director Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Director Incentive Options on the terms set out in Resolutions 6 to 9 to the Directors (and/or their nominees) as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6 to 9:

(a) **Related party to whom the financial benefit is to be given**

Roger Aston, Chris Ntoumenopoulos, Brian Leedman and Tony Keating (and/or their nominees).

(b) **Nature of the financial benefit**

The number of Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Number of Tranche 1 Director Incentive Options	Number of Tranche 2 Incentive Options
Dr Roger Aston	1,800,000	1,800,000
Mr Chris Ntoumenopoulos	1,800,000	1,800,000
Mr Brian Leedman	1,800,000	1,800,000
Dr Tony Keating	1,800,000	2,000,000
<b>Total</b>	<b>7,200,000</b>	<b>7,400,000</b>

(c) **Valuation of the financial benefit**

BDO Advisory (WA) Pty Ltd (**BDO**) has conducted a valuation report on the Director Incentive Options, a copy of which is included as Annexure F. BDO's findings are summarised in the below table.

Item	Tranche 1	Tranche 2
Underlying share price	\$0.37	\$0.37
Exercise price	\$0.44	\$0.734
Valuation date	8 September 2016	8 September 2016
Expiration date	8 September 2019	8 September 2019
Life of the Options (years)	3	3
Volatility	100%	100%
Risk free rate	1.48%	1.48%
Number of Options	7,200,000	7,400,000
Valuation per Option	\$0.218	\$0.179
Valuation per Tranche	\$1,596,600	\$1,324,600

Based on BDO's report, the estimated value of the Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Value of Tranche 1 Director Incentive Options	Value of Tranche 2 Incentive Options
Dr Roger Aston	\$392,400	\$322,200
Mr Chris Ntoumenopoulos	\$392,400	\$322,200
Mr Brian Leedman	\$392,400	\$322,200
Dr Tony Keating	\$392,400	\$358,000
<b>Total</b>	<b>\$1,596,600</b>	<b>\$1,324,600</b>

(d) **Current remuneration and Relevant Interests**

Details of the Directors' current annualised remuneration, as well as their interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

Director	Salary/Fees p.a. (excl. of GST and inclusive of superannuation)
Dr Roger Aston	\$90,000
Mr Chris Ntoumenopoulos	\$55,000
Mr Brian Leedman	\$187,000
Dr Tony Keating	\$280,000

The Directors interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

Director	Shares		Options	
	Ordinary Shares	Performance Shares	Unlisted Options	Incentive Options
Dr Roger Aston <sup>1</sup>	8,437,500	8,437,500	-	-
Mr Chris Ntoumenopoulos <sup>2</sup>	2,109,375	-	-	-
Mr Brian Leedman <sup>3</sup>	30,060,000	23,250,000	1,875,000	
Dr Tony Keating <sup>4</sup>	-	-	-	20,000,000

**Notes:**

1. Dr Aston holds 8,437,500 Shares and 8,437,500 Performance Shares in Newtonmore Bioscience Pty Ltd, an entity of which he is a director and shareholder. Each Performance Share will convert 1:1 upon the Company achieving an aggregated gross revenue of \$20,000,000 within five years beginning from 14 July 2015 (reinstatement).
2. Mr Ntoumenopoulos holds 2,109,375 Shares via Sobol Capital Pty Ltd, an entity of which he is a director and shareholder.
3. Mr Leedman holds 4,500,000 Shares and 4,500,000 Performance Shares via Tashtech Pty Ltd, an entity of which he is the sole director and shareholder. The remaining 25,560,000 Shares and 18,750,000 Performance Shares are held jointly with Natasha Leedman. Mr Leedman and Mrs Leedman also jointly hold 1,875,000 unlisted Options with an exercise price of \$0.026, expiring on 31 December 2016 which are escrowed until 14 July 2017.
4. Dr Keating holds 20,000,000 Incentive Options as detailed below.

Director	Grant Date	Exercise Price	Number	Expiry Date
Dr Tony Keating	2 July 2015	\$0.025	5,000,000	2 July 2020
Dr Tony Keating	2 July 2015	\$0.05	5,000,000	2 July 2020
Dr Tony Keating	2 July 2015	\$0.10	10,000,000	2 July 2020

(e) **Terms of the Director Incentive Options**

Full terms and conditions of the Director Incentive Options are set out in Annexure B.

(f) **Dilution**

If all of the Director Incentive Options under Resolutions 6 to 9 (inclusive) were exercised, and no other Shares were issued by the Company (including pursuant to Resolution 14), the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 2.2%.

(g) **Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Director Incentive Options.

(h) **Funds raised**

No funds will be raised from the issue of the Director Incentive Options. Funds raised in the event of exercise of the Director Incentive Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Director Incentive Options will be exercised at any future time.

(i) **Directors' interests**

Each Director, as a recipient of the Director Incentive Options, has a material personal interest in the outcome of the Resolution that applies specifically to him.

No Director has a material personal interest in the outcome of Resolutions 6 to 9 other than in respect of the proposed issue of Director Incentive Options to him or his nominee.

(j) **Directors' recommendation**

See section 9.4 below.

(k) **Other information**

Other than as set out in this Explanatory Statement, there is no further information which the Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 6 to 9.

### 9.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not issue equity securities to a director or an associate of a director of the company under an employee incentive scheme without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, ASX Listing Rule 7.2 (Exception 14) states that approval pursuant to ASX Listing Rule 7.1 is not required if shareholder approval is obtained under ASX Listing Rule 10.14.



The Directors are related parties of the Company within the definition specified in ASX Listing Rule 19.12. Accordingly, Shareholder approval is sought under ASX Listing Rule 10.14 to permit the issue of 14,600,000 Director Incentive Options to the Directors (and/or their nominees) as related parties of the Company on the terms set out in this Explanatory Statement and Annexure B.

The issue of the Director Incentive Options under Resolutions 6 to 9 will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1, as those Director Incentive Options (once issued) will be excluded from the calculations under ASX Listing Rule 7.1.

For the purposes of Listing Rule 10.14, the following information is provided to Shareholders in relation to Resolutions 6 to 9:

(a) **Maximum number of securities to be issued**

The maximum number of Director Incentive Options proposed to be issued to each Director (and/or its nominees) is as follows:

Director	Number of Tranche 1 Director Incentive Options	Number of Tranche 2 Director Incentive Options
Dr Roger Aston	1,800,000	1,800,000
Mr Chris Ntoumenopoulos	1,800,000	1,800,000
Mr Brian Leedman	1,800,000	1,800,000
Dr Tony Keating	1,800,000	2,000,000
<b>Total</b>	<b>7,200,000</b>	<b>7,400,000</b>

(b) **Terms for each Incentive Option**

The Director Incentive Options are issued for no cash consideration. The key terms of the Director Incentive Options to be issued under Resolutions 6 to 9 are set out in the following table:

	Tranche 1	Tranche 2
<b>Expiry Date</b>	36 months from the date of issue	36 months from the date of issue
<b>Exercise Price</b>	20% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016	100% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016
<b>Shares Issued</b>	Fully paid ordinary shares which rank equally with existing Shares on issue	Fully paid ordinary shares which rank equally with existing Shares on issue
<b>Vesting Criteria</b>	Immediately upon issue	Immediately upon issue

Full terms and conditions of the Director Incentive Options are set out in Annexure B.

(c) **Persons referred to in Listing Rule 10.14 who received securities under the Employee Incentive Plan since the last approval**

No persons referred to in Listing Rule 10.14 have ever received any securities under the Employee Incentive Plan.

- (d) **Persons referred to in Listing Rule 10.14 entitled to participate in the Employee Incentive Plan**  
Roger Aston, Chris Ntoumenopoulos, Brian Leedman and Tony Keating (and/or their nominees).
- (e) **Loans in relation to acquisition of Director Incentive Options**  
There are no loans in relation to the acquisition of Director Incentive Options.
- (f) **Date by which entity will issue the securities**  
The Director Incentive Options will be issued as soon as possible after the General Meeting and in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules).

#### **9.4 Directors Recommendations**

Each Director, as a recipient of the Director Incentive Options, has a material personal interest in the outcome of the Resolution that applies specifically to him.

No Director has a material personal interest in the outcome of Resolutions 6 to 9 other than in respect of the proposed issue of Director Incentive Options to him or his nominee.

##### **Resolution 6**

Dr Roger Aston expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 6.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Dr Roger Aston (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to Dr Aston linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Dr Aston has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

##### **Resolution 7**

Mr Chris Ntoumenopoulos expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Mr Chris Ntoumenopoulos (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to Mr Ntoumenopoulos linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Mr Ntoumenopoulos has and will continue to make to the Company; and

- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

## **Resolution 8**

Mr Brian Leedman expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 8.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Brian Leedman (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to the Mr Leedman linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Mr Leedman has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

## **Resolution 9**

Dr Tony Keating expresses no opinion and makes no recommendation in respect of the issue of the Director Incentive Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 9.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Director Incentive Options to Dr Tony Keating (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Director Incentive Options:

- (i) provides a long-term incentive to the Dr Keating linked to the future success of the Company;
- (ii) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (iii) recognises the contribution Dr Keating has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

## **10 Resolutions 10 and 11 – Ratification of issue of Consultancy Incentive Options**

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Resolutions 10 and 11 seek approval for the ratification of a total of 4,000,000 Consultancy Incentive Options which are anticipated to be issued prior to the date of the Meeting to Dr Udantha Abeyratne and Dr Paul Porter as partial consideration for consultancy services provided to the Company.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 10.1 Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolutions 10 and 11 for the purposes of Listing Rule 7.4:

- (a) A maximum of 2,000,000 Tranche 1 Consultancy Incentive Options and 2,000,000 Tranche 2 Consultancy Incentive Options are anticipated to be issued as follows:

Recipient	Number of Tranche 1 Consultancy Incentive Options	Number of Tranche 2 Consultancy Incentive Options
Dr Udantha Abeyratne	1,000,000	1,000,000
Dr Paul Porter	1,000,000	1,000,000

- (b) The Consultancy Incentive Options will have been issued for nil cash consideration.
- (c) Full terms of the Tranche 1 and Tranche 2 Consultancy Incentive Options are set out in Annexure C.
- (d) The Consultancy Incentive Options will be issued as part consideration for consultancy services provided to the Company.
- (e) No funds will be raised from the issue of the Consultancy Incentive Options.

## 10.2 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 10 and 11.

## 11 Resolution 12 – Ratification of issue of Shares under April Placement

On 20 April 2016 the Company announced that it had completed a placement raising \$12,500,000 through the issue of 62,500,000 Shares at \$0.20 per share (**April Placement**). Shareholder approval is sought to ratify the 62,500,000 Shares previously issued under the Placement.

### 11.1 Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of

securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **11.2 Listing Rule 7.5**

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 13 for the purposes of Listing Rule 7.4:

- (a) A total of 62,500,000 Shares were issued.
- (b) The Shares had an issue price of \$0.20 per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The Shares under the Placement were issued to Exempt Investors being clients of Empire Capital Partners, Jett Capital Advisors and CPS Capital Group. None of these subscribers are related parties of the Company.
- (e) Funds raised will be used to expedite US FDA approval for the adult diagnostic test, expand US market opportunity into in-clinic use, expand global opportunity into Europe and Asia, and accelerate development of respiratory disease management tools.

## **11.3 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12.

## **12 Resolution 13 – Ratification of issue of Advisory Shares and Advisory Options under April Placement**

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Resolution 13 seeks approval for the ratification of Advisory Shares and Advisory Options issued in conjunction with the April Placement. A total of 1,016,250 Advisory Shares and 6,366,667 Advisory Options were issued to advisors as capital raising fees. Shareholder approval is sought to ratify the Advisory Shares and Advisory Options previously issued under the April Placement.

### **12.1 Listing Rule 7.4**

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **12.2 Listing Rule 7.5**

Listing Rule 7.5 requires that the following information be provided to the Shareholders in relation to obtaining approval of Resolution 13 for the purposes of Listing Rule 7.4:

- (a) A total of 1,016,250 Advisory Shares and 6,366,667 Advisory Options were issued.
- (b) The Advisory Shares and Advisory Options were issued for nil cash consideration as they were issued as fees for capital raising services provided in relation to the April Placement.
- (c) The Advisory Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) Of the 6,366,667 Advisory Options issued, 4,500,000 were Tranche 1 Advisory Options which are exercisable at \$0.28, and expire on 29 April 2019 (escrowed for 12 months to 29 April 2017), and 1,866,667 were Tranche 2 Advisory Options which are exercisable at \$0.30, and expire on 29 April 2019 (escrowed for 12 months to 29 April 2017). Full terms of the Advisory Options are set out in Annexure A.
- (e) The Advisory Shares and Advisory Options were issued to the Company's advisors pursuant to capital raising mandates.
- (f) No funds were raised from the issue of the Advisory Shares and Advisory Options.

### **12.3 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13.

## **13 Resolution 14 - Approval of 10% Placement Facility**

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### **13.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities totaling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The Board believes that Resolution 14 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

### **13.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Annual General Meeting, the only quoted Equity Securities that the Company has on issue are its 561,773,352 Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

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

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

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

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 13.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

### 13.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 14 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

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



Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.1875 50% decrease in Market Price	\$0.375 Current Market Price	\$0.75 100% increase in Market Price
<b>Current Variable A</b> 649,945,852	<b>10% Voting Dilution</b>	64,994,585 Shares	64,994,585 Shares	64,994,585 Shares
	<b>Funds raised</b>	\$12,186,485	\$24,372,969	\$48,745,939
<b>50% increase in current Variable A</b> 974,918,778	<b>10% Voting Dilution</b>	97,491,878 Shares	97,491,878 Shares	97,491,878 Shares
	<b>Funds raised</b>	\$18,279,727	\$36,559,454	\$73,118,908
<b>100% increase in current Variable A</b> 1,299,891,704	<b>10% Voting Dilution</b>	129,989,170 Shares	129,989,170 Shares	129,989,170 Shares
	<b>Funds raised</b>	\$24,372,969	\$48,745,939	\$97,491,878

**The table has been prepared on the following assumptions:**

- 1 The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 2 The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 3 The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- 4 The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 5 The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- 6 The issue price is \$0.375, being the closing price of Shares on the ASX on 13 September 2016.

- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 14 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisitions) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;

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

The persons issued securities under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but are likely to be investors which are sophisticated and/or professional investors for the purposes of section 708 of the Corporations Act. No Equity Securities will be issued under Listing Rule 7.1A to related parties of the Company.

If the Company is successful in acquiring new assets or investments, it is likely that the persons issued securities under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at its last annual general meeting held on 30 November 2015.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) During the 12 months preceding the date of the Meeting the Company has or will have issued a total of 105,726,667 equity securities (on a post consolidation basis), representing 18.82% of the total number of equity securities on issue at the commencement of that 12 month period.

Date of issue	
	(i) Unlisted Incentive Options – 22 September 2015 (\$0.05, 22 September 2020)
	(ii) Unlisted Incentive Options – 22 September 2015 (\$0.10, 22 September 2020)
	(iii) Shares issued on exercise of Unlisted Options – 22 January 2016
	(iv) Shares issued on exercise of Unlisted Options – 11 February 2016
	(v) Placement Shares – 29 April 2016
	(vi) Advisory Shares – 29 April 2016
	(vii) Unlisted Advisor Options – 29 April 2016 (\$0.28, 29 April 2017)
	(viii) Unlisted Advisor Options – 29 April 2016 (\$0.30, 29 April 2019)
	(ix) Shares issued upon exercise of Unlisted Options – 18 May 2016
	(x) Shares issued on exercise of Unlisted Options – 2 June 2016
	(xi) Shares issued on exercise of Unlisted Options – 10 June 2016
	(xii) Shares issued on exercise of Unlisted Options – 28 June 2016
	(xiii) Shares issued on exercise of Unlisted Options – 15 July 2016
	(xiv) Shares issued on exercise of Unlisted Options – 22 July 2016
	(xv) Shares issued on exercise of Unlisted Options – 16 September 2016
	(xvi) Unlisted Employee Incentive Options – 16 September 2016 (\$0.45 being a 20% premium to 20 day VWAP, 16 September 2019)
	(xvii) Unlisted Consultancy Incentive Options – 16 September 2016 (\$0.45 being a 20% premium to 20 day VWAP, 16 September 2019)

<b>Number issued</b>	(xviii)	Unlisted Consultancy Incentive Options – 16 September 2016 (\$0.75 being a 100% premium to 20 day VWAP, 16 September 2019)
	(i)	3,000,000
	(ii)	2,000,000
	(iii)	18,093,750
	(iv)	187,500
	(v)	62,500,000
	(vi)	1,016,250
	(vii)	4,500,000
	(viii)	1,866,667
	(ix)	468,750
	(x)	3,375,000
	(xi)	1,312,500
	(xii)	93,750
	(xiii)	375,000
	(xiv)	750,000
	(xv)	187,500
	(xvi)	2,000,000
	(xvii)	2,000,000
	(xviii)	2,000,000
<b>Class of Security</b>	(i)	Unlisted Options (\$0.05, 22 September 2020)
	(ii)	Unlisted Options (\$0.10, 22 September 2020)
	(iii)	Ordinary Fully Paid Shares
	(iv)	Ordinary Fully Paid Shares
	(v)	Ordinary Fully Paid Shares
	(vi)	Ordinary Fully Paid Shares
	(vii)	Unlisted Options – 29 April 2016 (\$0.28, 29 April 2017)
	(viii)	Unlisted Options – 29 April 2016 (\$0.30, 29 April 2019)
	(ix)	Ordinary Fully Paid Shares
	(x)	Ordinary Fully Paid Shares
	(xi)	Ordinary Fully Paid Shares
	(xii)	Ordinary Fully Paid Shares
	(xiii)	Ordinary Fully Paid Shares
	(xiv)	Ordinary Fully Paid Shares
	(xv)	Ordinary Fully Paid Shares
	(xvi)	Unlisted Options – 16 September 2016 (\$0.45, 20% premium to 20 day VWAP, 16 September 2019)
	(xvii)	Unlisted Options – 16 September 2016 (\$0.45, 20% premium to 20 day VWAP, 16 September 2019)
	(xviii)	Unlisted Options – 16 September (\$0.75, 100% premium to 20 day VWAP, 16 September 2019)
<b>Persons who received securities</b>	(i)	Dr Udantha Aberyatne (Advisor to the Company)
	(ii)	Dr Udantha Aberyatne (Advisor to the Company)
	(iii)	Various options holders upon exercise of unlisted options

	<ul style="list-style-type: none"> <li>(iv) Various options holders upon exercise of unlisted options</li> <li>(v) Institutional and sophisticated investors</li> <li>(vi) Advisors who assisted in facilitating the Placement</li> <li>(vii) Advisors who assisted in facilitating the Placement</li> <li>(viii) Advisors who assisted in facilitating the Placement</li> <li>(ix) Various options holders upon exercise of unlisted options</li> <li>(x) Various options holders upon exercise of unlisted options</li> <li>(xi) Various options holders upon exercise of unlisted options</li> <li>(xii) Various options holders upon exercise of unlisted options</li> <li>(xiii) Various options holders upon exercise of unlisted options</li> <li>(xiv) Various options holders upon exercise of unlisted options</li> <li>(xv) Various options holders upon exercise of unlisted options</li> <li>(xvi) Various Company employees under Employee Incentive Scheme</li> <li>(xvii) Advisors who provide consultancy services to the Company</li> <li>(xviii) Advisors who provide consultancy services to the Company</li> </ul>
<b>Price (per Share)</b>	<ul style="list-style-type: none"> <li>(i) Nil</li> <li>(ii) Nil</li> <li>(iii) \$0.026</li> <li>(iv) \$0.026</li> <li>(v) \$0.20</li> <li>(vi) Nil</li> <li>(vii) Nil</li> <li>(viii) Nil</li> <li>(ix) \$0.026</li> <li>(x) \$0.026</li> <li>(xi) \$0.026</li> <li>(xii) \$0.026</li> <li>(xiii) \$0.026</li> <li>(xiv) \$0.026</li> <li>(xv) \$0.026</li> <li>(xvi) Nil</li> <li>(xvii) Nil</li> <li>(xviii) Nil</li> </ul>
<b>Discount to market</b>	<ul style="list-style-type: none"> <li>(i) Not applicable</li> <li>(ii) Not applicable</li> <li>(iii) 80%</li> <li>(iv) 80%</li> <li>(v) 2.5%</li> <li>(vi) 100%</li> <li>(vii) Not applicable</li> <li>(viii) Not applicable</li> <li>(ix) 90.87%</li> <li>(x) 92%</li> </ul>

<b>Non cash consideration</b>	(xi)	94.22%
	(xii)	93.50%
	(xiii)	91.03%
	(xiv)	91.33%
	(xv)	92.6%
	(xvi)	Not applicable
	(xvii)	Not applicable
	(xviii)	Not applicable
	(i)	Part consideration for consultancy services
	(ii)	Part consideration for consultancy services
	(iii)	Nil
	(iv)	Nil
	(v)	Nil
	(vi)	Capital raising services provided
	(vii)	Capital raising services provided
	(viii)	Capital raising services provided
	(ix)	Nil
	(x)	Nil
	(xi)	Nil
	(xii)	Nil
	(xiii)	Nil
	(xiv)	Nil
	(xv)	Nil
	(xvi)	Part consideration of employees' remuneration
	(xvii)	Part consideration for consultancy services provided
	(xviii)	Part consideration for consultancy services provided
<b>Current value of non-cash consideration</b>	(i)	\$1,028,700
	(ii)	\$644,600
	(iii)	Not applicable
	(iv)	Not applicable
	(v)	Not applicable
	(vi)	\$381,093.75
	(vii)	\$693,000
	(viii)	\$443,520
	(ix)	Not applicable
	(x)	Not applicable
	(xi)	Not applicable
	(xii)	Not applicable
	(xiii)	Not applicable
	(xiv)	Not applicable
	(xv)	\$438,800
	(xvi)	\$438,800
	(xvii)	\$360,966

<b>Total cash consideration</b>	(xviii) Not applicable
	For the purposes of this section, the Company has valued Options using the Black & Scholes method and, where applicable, using the inputs also used by BDO in Annexure F.
<b>Amount of cash spent</b>	(i) Nil
	(ii) Nil
<b>Use of cash</b>	(iii) \$470,437.50
	(iv) \$4,875.00
<b>Use of cash</b>	(v) \$12,500,000.00
	(vi) Nil
<b>Use of cash</b>	(vii) Nil
	(viii) Nil
<b>Use of cash</b>	(ix) \$12,187.50
	(x) \$87,750.00
<b>Use of cash</b>	(xi) \$34,125.00
	(xii) \$2,437.50
<b>Use of cash</b>	(xiii) \$9,750.00
	(xiv) \$19,500.00
<b>Use of cash</b>	(xv) \$4,875.00
	(xvi) Nil
<b>Use of cash</b>	(xvii) Nil
	(xviii) Nil
<b>Use of cash</b>	(i) Not applicable
	(ii) Not applicable
<b>Use of cash</b>	(iii) 12.75%
	(iv) 0%
<b>Use of cash</b>	(v) 0%
	(vi) Not applicable
<b>Use of cash</b>	(vii) Not applicable
	(viii) Not applicable
<b>Use of cash</b>	(ix) 0%
	(x) 0%
<b>Use of cash</b>	(xi) 0%
	(xii) 0%
<b>Use of cash</b>	(xiii) 0%
	(xiv) 0%
<b>Use of cash</b>	(xv) 0%
	(xvi) Not applicable
<b>Use of cash</b>	(xvii) Not applicable
	(xviii) Not applicable
<b>Use of cash</b>	(i) Not applicable
	(ii) Not applicable
<b>Use of cash</b>	(iii) Working capital
	(iv) Working capital

	(v)	Expedite US FDA approval for adult diagnostic test, expand US market opportunity into in-clinic use, expand global opportunities into Europe and ASIA, and accelerate development of respiratory disease management tools
	(vi)	Not applicable
	(vii)	Not applicable
	(viii)	Not applicable
	(ix)	Working capital
	(x)	Working capital
	(xi)	Working capital
	(xii)	Working capital
	(xiii)	Working capital
	(xiv)	Working capital
	(xv)	Working capital
	(xvi)	Not applicable
	(xvii)	Not applicable
	(xviii)	Not applicable
	For the purpose of this section, working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature.	

## 14 Resolution 15 - Appointment of Auditor

Resolution 15 is conditional on ASIC's consent to the resignation of Greenwich & Co Audit Pty Ltd, and the Company anticipates that this consent will be forthcoming. Upon receipt of ASIC's consent to the resignation, Greenwich & Co Audit Pty Ltd is expected to submit its resignation as auditor to the Company in accordance with section 329(5) of the Corporations Act.

A Shareholder has given to the Company notice in writing nominating Grant Thornton to be appointed as the Company's auditor in accordance with section 328B(1) of the Corporations Act. A copy of this nomination is attached to this Explanatory Statement as Annexure G. If Resolution 15 is passed, the appointment of Grant Thornton as the Company's auditor will take effect from the close of Annual General Meeting. If Greenwich & Co Audit Pty Ltd does not obtain ASIC approval and resign on the date of the Annual General Meeting, the Company will not put Resolution 15 to Shareholders but intends to appoint Grant Thornton as its auditor under section 327C(1) of the Corporations Act once ASIC approval is obtained and Greenwich & Co Audit Pty Ltd has resigned. The Company will then seek Shareholder approval for the reappointment of Grant Thornton its auditor at its next annual general meeting.

Subject to receipt of ASIC's consent and approval by Shareholders, the appointment of Grant Thornton will be effective for the 2017 financial year. Greenwich & Co Audit Pty Ltd remained responsible for the audit for the 2016 financial year.

The Board unanimously recommends that Shareholders vote in favour of Resolution 15.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>Advisory Share</b>	a fully paid ordinary share in the capital of the Company issued to Advisors (as contemplated by Resolution 13).
<b>Advisory Option</b>	an option to acquire a Share (as contemplated by Resolution 13), the terms and conditions of which are set out in Annexure A.
<b>AEST</b>	Australian Eastern Standard Time
<b>April Placement</b>	the placement raising in April 2016 of \$12,500,000 through the issue of 62,500,000 Shares at \$0.20 per share.
<b>Annexure</b>	an annexure to this Explanatory Statement.
<b>Annual General Meeting or Meeting</b>	the annual general meeting of the Shareholders convened by the Notice of Meeting.
<b>Annual Report</b>	the Company's annual report for the year ended 30 June 2016 comprising the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's report.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning set out in sections 11-17 of the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
<b>ASX Listing Rules</b>	the ASX Listing Rules of the ASX.
<b>Board</b>	the board of Directors.
<b>Chair</b>	the chair of the Meeting.
<b>Closely Related Party</b>	a closely related party to Key Management Personnel as defined in Section 9 of the Corporations Act.
<b>Consultancy Incentive Option</b>	an option to acquire a Share (as contemplated by Resolutions 10 and 11), the terms and conditions of which are set out in Annexure C.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.
<b>Director Incentive Option</b>	an option to acquire a Share to be issued to the Directors (as contemplated by Resolutions 6 to 9), the terms and conditions of which are set out in Annexure B.
<b>Eligible Employees</b>	certain employees, contractors and other staff members of the Company eligible to be remunerated under the Plan as determined by the Board.
<b>Employee Incentive Plan or Plan</b>	the employee incentive plan of the Company as included in Annexure E.



<b>Exempt Investor</b>	a professional and/or sophisticated investor for the purposes of section 708 of the Corporations Act.
<b>Existing Shares</b>	the 649,945,852 fully paid ordinary Shares issued as at the date of the Notice of Meeting.
<b>Explanatory Statement</b>	this Explanatory Statement accompanying the Notice of Meeting.
<b>Grant Thornton</b>	Grant Thornton Audit Pty Ltd (ACN 130 913 594).
<b>Key Management Personnel</b>	the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Notice or Notice of Meeting</b>	the notice convening the Annual General Meeting accompanying this Explanatory Statement.
<b>Option</b>	an option to acquire a Share.
<b>Proxy Form</b>	the proxy form attached to this Notice.
<b>Remuneration Report</b>	the section of the Directors' Report in the Annual Report of the Company entitled "Remuneration Report".
<b>Resolution</b>	a resolution to be considered at the Annual General Meeting or contained in the Notice of Meeting.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of a Share.
<b>Tranche 1 Advisory Option</b>	an option to acquire a share on the terms set out in Annexure A.
<b>Tranche 2 Advisory Option</b>	an option to acquire a share on the terms set out in Annexure A.
<b>Tranche 1 Consultancy Incentive Option</b>	an option to acquire a share on the terms set out in Annexure C.
<b>Tranche 2 Consultancy Incentive Option</b>	an option to acquire a share on the terms set out in Annexure C.
<b>Tranche 1 Director Incentive Option</b>	an option to acquire a share on the terms set out in Annexure B.
<b>Tranche 2 Director Incentive Option</b>	an option to acquire a share on the terms set out in Annexure B.
<b>WST</b>	Western Standard Time in Australia.

# Annexure A – Terms of Advisory Options

## ResApp Health Limited (“Company”) – Advisory Option Terms

The Advisory Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) **Entitlement**

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

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 29 April 2019 (**Expiry Date**).

(c) **Exercise Price**

Each Advisory Option is exercisable at price of (“Exercise Price”):

Advisory Options	Exercise Price
Tranche 1 Advisory Options	\$0.28
Tranche 2 Advisory Options	\$0.30

(d) **Exercise period and lapsing**

Subject to clause (j), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed “Not Negotiable”.

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Escrow**

The holder of Options (and, if the Options are exercised before 29 April 2017, the holder of the Shares issued upon such exercise) must not do any of the following with respect to such Options or Shares (**Restricted Securities**) until 29 April 2017 (**Escrow Period**):

- (i) Dispose of, or agree or offer to dispose of, the Restricted Securities.
- (ii) Create, or agree or offer to create, any security interest in the Restricted Securities.
- (iii) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities.
- (iv) Participate in a return of capital made by the Company.

During the escrow period, a controller of the holder will not do any of the following:

- (v) Dispose of, or agree or offer to dispose of, the controller interests.
- (vi) Create, or agree or offer to create, any security interest in the controller interests.
- (vii) Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the controller interests.

If the Restricted Securities are kept on the certificated subregister, the holder will deposit the certificates for the Restricted Securities with a bank or recognised trustee for the Escrow Period.

If the Restricted Securities are kept on the issuer sponsored subregister, the holder agrees to the application of a holding lock to the Restricted Securities.

In this clause words have the meaning given to them in the ASX Listing Rules unless the contrary intention appears.

(h) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, but subject to clause (f), application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) **Timing of issue of Shares**

Subject to clauses (f) and (j), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) subject to clause (f), apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(j) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(k) **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. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(n) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(o) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(p) **Transferability**

Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

## Annexure B – Terms of Director Incentive Options

### ResApp Health Limited (“Company”) – Director Incentive Option Terms Tranche 1 and Tranche 2

- a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- b) Each Option is exercisable at price of (“Exercise Price”):

Incentive Options	Exercise Price
Tranche 1 Director Incentive Options	At a price being a 20% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016
Tranche 2 Director Incentive Options	At a price being a 100% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately before 16 September 2016

- c) Each Option will expire 36 months from the date of issue (“Option Expiry Date”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- d) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects pari passu with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- e) A registered owner of an Option (“Option Holder”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- f) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“Notice of Exercise of Options”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.  

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being the Exercise Price per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.
- g) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- h) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- i) The Company will not apply for quotation of the Options on ASX. Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).
- j) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the ASX Listing Rules.
- k) If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

## Annexure C – Terms of Consultancy Incentive Options

### ResApp Health Limited (“Company”) – Consultancy Incentive Option Terms Tranche 1 and Tranche 2

- a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- b) Each Option is exercisable at price of (“Exercise Price”):

Consultancy Incentive Options	Exercise Price
Tranche 1 Consultancy Incentive Options	At a price being a 20% premium to the volume weighted average price of Shares calculated over the 20 trading days immediately before the date of issue
Tranche 2 Consultancy Incentive Options	At a price being a 100% premium to the volume weighted average price of Shares calculated over the 20 trading days immediately before the date of issue

- c) Each Option will expire 36 months from the date of issue (“Option Expiry Date”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- d) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects pari passu with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- e) A registered owner of an Option (“Option Holder”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- f) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“Notice of Exercise of Options”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being the Exercise Price per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder’s option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.

- g) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- h) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- i) The Company will not apply for quotation of the Options on ASX. Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company’s sole discretion).
- j) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the ASX Listing Rules.
- k) If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

## **Annexure D – Terms of Employee Options**

### **ResApp Health Limited (“Company”) – Employee Option Terms**

- a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- b) Each Option is exercisable at a 20% premium to the volume weighted average price of Shares calculated over the 20 trading days immediately before the day the Options are issued (“Exercise Price”).
- c) Each Option will expire 36 months from the date of issue (“Option Expiry Date”). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- d) One third of the Options vest immediately with the remaining two thirds vesting in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company.
- e) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- f) A registered owner of an Option (“Option Holder”) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- g) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (“Notice of Exercise of Options”). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being the Exercise Price per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.
- h) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
- i) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
- j) The Company will not apply for quotation of the Options on ASX. Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).
- k) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the ASX Listing Rules.
- l) If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

# Annexure E – Employee Incentive Plan

**EMPLOYEE INCENTIVE PLAN**

ResApp Health Limited ACN 094 468 318  
(Company)

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This **Employee Incentive Plan** is dated

2016.

## Background

A. This document sets out the rules of the Company's Employee Incentive Plan.

## Plan Rules

### 1 Objectives

---

The objectives of the Plan are to:

- (a) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
- (b) to provide an incentive and reward for Eligible Participants for their contribution to the Company; and
- (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

### 2 Interpretation

---

#### 2.1 Definitions

In this Plan:

- (a) **5% Limit** has the meaning set out in Rule 3.1(a);
- (b) **Applicable Law** means any one or more or all, as the context requires:
  - (i) the Corporations Act;
  - (ii) the Listing Rules;
  - (iii) the Constitution;
  - (iv) the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth);
  - (v) any practice note, policy statement, regulatory guide, class order, declaration, guidelines, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b) and (d) above; and
  - (vi) any other legal requirement that applies to the Plan;
- (c) **Application** means an application in the form as the Directors may from time to time prescribe, accepting an offer from the Board to apply for Options;
- (d) **Application Date** means the date on which an Application is lodged with the Company by an Eligible Participant (or its nominee) in accordance with the requirements of this Plan;
- (e) **ASIC** means the Australian Securities and Investments Commission;
- (f) **Associated Body Corporate** means a Body Corporate:
  - (i) that is a Related Body Corporate of the Company;

- (ii) that has Voting Power in the Company of not less than 20%; and
  - (iii) in which the Company power has Voting Power of not less than 20%.
- (g) **ASX** means ASX Limited (ACN 008 624 691) operating as the Australian Securities Exchange;
- (h) **Bad Leaver** means a Participant whose employment or engagement with any Group Company ceases in any of the following circumstances:
  - (i) the Participant's employment or engagement is terminated, or the Participant is dismissed from office, due to:
    - (A) serious and wilful misconduct;
    - (B) material breach of the terms of any contract of employment, engagement or office entered into by any Group Company and the Participant;
    - (C) gross negligence; or
    - (D) other conduct justifying termination of employment, engagement or office without notice either under the Participant's contract of employment or engagement or office, or at common law;
  - (ii) the Participant ceases his or her employment or engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment, engagement or office entered into by the relevant Group Company and the Participant; or
  - (iii) the Participant is ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.
- (i) **Blackout Period** means a period when the Participant is prohibited from trading in the Company's securities under the Company's Securities Trading Policy;
- (j) **Board** means the Directors, from time to time, acting as a board or as a committee of the Board which is responsible for administering this Plan;
- (k) **Body Corporate** has the meaning given the Corporations Act;
- (l) **Business Day** means a day on which banks are open for general banking business in Western Australia, excluding Saturdays, Sundays and public holidays in Western Australia;
- (m) **Buy-Back** means the purchase by the Company of Options prior to their exercise, or the buy-back by the Company of Plan Shares, pursuant to Rule 19;
- (n) **Cashless Exercise Facility** has the meaning given in Rule 7.6(a);
- (o) **Casual Employee** in relation to a body, means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the body;
- (p) **Certificate** means the certificate or holding statement issued by the Company to a Participant in respect of an Option;
- (q) **Change of Control Event** occurs where:
  - (i) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional;

- (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (iii) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
- (iv) any Group Company or Group Companies enter into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies;
- (v) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies;
- (r) **Company** means ResApp Health Limited (ACN 094 468 318);
- (s) **Contractor** means, in relation to a body:
  - (i) an individual with whom the body has entered into a contract for the provision of services under which the individual performs work for the body; or
  - (ii) a company with whom the body has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the body,
 where the individual who performs the work under or in relation to the contract must, or reasonably be expect to, be engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the body.
- (t) **Control** has the meaning given to the term in section 50AA of the Corporations Act;
- (u) **Corporations Act** means the *Corporations Act 2001* (Cth);
- (v) **Director** means a director of the Company from time to time;
- (w) **Eligible Participant** means any person who is designated by the Board to be an Eligible Participant under this Plan who satisfies the requirements of ASIC Class Order [CO 14/1000], or any amendment or replacement thereof, including a:
  - (i) full-time or part-time employee (including an executive Director);
  - (ii) non-executive Director;
  - (iii) Contractor;
  - (iv) Casual Employee; or
  - (v) Prospective Participant.
- (x) **Exercise Notice** means a notice for the exercise of Options in accordance with the Rules in the form attached to the Offer Document or in such other form as the Board may from time to time prescribe

- (y) **Exercise Period** means the period during which a vested Option may be exercised as set out in Rule 7.1;
- (z) **Exercise Price** means the price per Plan Share payable in cash upon exercise of an Option, as specified by the Board in an Offer, and determined by the Board in its sole and absolute discretion;
- (aa) **Expiry Date** means 5.00pm Western Standard Time in Australia on the day which is 5 years after the date of issue of an Option or any other date determined by the Board and as specified in the Offer, after which the Option lapses and may no longer be exercised;
- (bb) **Final Acceptance Date** means the final date that an Eligible Participant may accept the Offer;
- (cc) **Good Leaver** means a Participant who ceases employment or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where a Participant's employment or engagement ceases due to death, permanent incapacity, redundancy, resignation, retirement or any other reason the Board determines in its sole and absolute discretion;
- (dd) **Grant Date** means the date on which Options are granted to a Participant and specified in the Offer;
- (ee) **Group** means the Company and its Associated Bodies Corporate and Group Company means any one of them;
- (ff) **Listing Rules** means the Listing Rules of the ASX as amended from time to time;
- (gg) **Offer** means an offer of Options made in accordance with Rule 3.4;
- (hh) **Offer Document** means an offer document that complies with Rule 4.3 and is otherwise in the form approved by the Board from time to time;
- (ii) **Official List** means the official list of the ASX;
- (jj) **Option** means an option issued for nil or nominal monetary consideration to subscribe for a Share issued in accordance with this Plan and subject to the satisfaction of any Vesting Conditions and payment of the relevant Exercise Price;
- (kk) **Participant** is an Eligible Participant or Permitted Nominee to whom an Option has been granted;
- (ll) **Performance Conditions** means any conditions relating to the performance of the Group (and the manner in which those conditions will be tested) as specified in an Offer and determined by the Board in its sole and absolute discretion;
- (mm) **Permitted Nominee** means in respect of an Eligible Participant:
  - (i) an immediate family member of the Eligible Participant who is at least 18 years of age;
  - (ii) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant; or
  - (iii) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth), where the Eligible Participant is a director of the trustee.
- (nn) **Plan** means this Employee Share Option Plan established and operated in accordance with these Rules as amended from time to time;
- (oo) **Plan Shares** means any Shares issued pursuant to this Plan on exercise of an Option;

- (pp) **Prospective Participant** means a person to whom an offer of an Option is made, but who can only accept the offer if an arrangement is entered into that will result in the person becoming an Eligible Participant of a kind other than a Prospective Participant;
- (qq) **Quotation** means the quotation of the Company's Shares on the Official List;
- (r) **Related Body Corporate** has the same meaning as given to that term in the Corporations Act; and
- (ss) **Rules** means these rules in respect of the operation of the Plan;
- (tt) **Securities Trading Policy** means the Company securities trading policy, as amended from time to time;
- (uu) **Security Interest** means a mortgage, charge, pledge lien, encumbrance of other third party interest of any nature;
- (vv) **Share** means a fully paid ordinary share in the Company;
- (ww) **Shareholder** means any holder of one or more Shares;
- (xx) **Tax** means all forms of taxes (including, without limitation, PAYG withholding, income tax and fringe benefits tax), imposts, charges, withholdings or other governmental impositions collected, imposed, assessed or charged by a taxation authority and any related interest penalties, fines, expenses and other additional statutory charges.
- (yy) **Term** means the period commencing on the Grant Date and ending on the Expiry Date (inclusive);
- (zz) **Termination Date** means the date the termination of directorship, employment or consultancy arrangement of an Eligible Participant takes effect, under the Eligible Participant's written employment agreement or consultancy agreement or otherwise.
- (aaa) **Vesting Conditions** means any time based criteria, requirements or conditions or milestones (as specified in the Offer and determined by the Board in its sole and absolute discretion) which must be met prior to Options vesting in a Participant, which the Board may throughout the course of the period between the grant of an Option and its vesting waive or accelerate as the Board considers reasonably appropriate;
- (bbb) **Vesting Date** means the date that the Company issues a Vesting Notification to a Participant;
- (ccc) **Vesting Notification** means a notice to a Participant informing the Participant that his or her Options have vested and are exercisable;
- (ddd) **Voting Power** has the meaning given in the Corporations Act; and
- (eee) **Withholding Tax Amount** has the meaning set out in Rule 16.2.

## 2.2 Interpretation

In the interpretation of this Plan, headings are for convenience only, and unless the context otherwise requires:

- (a) any word or phrase used in this Plan which is not defined but which is defined in the Listing Rules has the same effect as that contained in the Listing Rules;
- (b) words importing any gender include all genders;
- (c) the singular includes the plural and vice versa;



- (d) references to Rules and annexures are references to Rules and annexures of and to this Plan;
- (e) the word "includes" in any form is not a form of limitation;
- (f) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
- (g) a document includes all amendments or supplements to that document;
- (h) a monetary amount is in Australian dollars;
- (i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
- (j) in determining the time of day, where relevant to these Rules, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
  - (ii) for any other purpose under these Rules, the time of day in the place where the party required to perform an obligation is located.

### 3 The Plan

#### 3.1 Plan limit

- (a) The Directors will not make an Offer or issue Options in accordance with the Plan if the total number of Plan Shares which are the subject of the Options, when aggregated with the number of Shares issued, or that may be issued, as a result of offers made at any time during the previous 3 year period under:
  - (i) an employee incentive scheme of the Company or an Associated Body Corporate, where offers were covered by ASIC Class Order [CO 14/1000] or an individual instrument made by ASIC in terms similar to ASIC Class Order [CO 14/1000]; or
  - (ii) an employee incentive scheme or employee share scheme of the Company or an Associated Body Corporate, where the offers were covered by ASIC Class Order [CO 03/184] or an individual instrument made by ASIC in terms similar to that class order,

would exceed 5 per cent of the total number of issued Shares in the Company as at the time of the Offer or issue (**5% Limit**).
- (b) The 5% Limit shall be subject to adjustment or increase pursuant to the provisions of Rule 13.1 or as may otherwise be permitted by Applicable Law.
- (c) Where an Option lapses without being exercised, the Shares which would have otherwise been received on the exercise of the Option are ignored when calculating the 5% Limit.

#### 3.2 Administration of the Plan

Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Plan and determine:

- (a) the persons to whom the Options will be offered under the Plan;
- (b) the number of Options which may be offered to those persons;
- (c) any approvals required under the Listing Rules or otherwise; and



- (d) any performance associated criteria that must be satisfied by a Participant.

Every exercise of a discretion by the Board and any decision by the Board regarding the interpretation, effect or application of these Rules will be final, conclusive and binding.

### **3.3 Directors**

Where required in accordance with the requirements of the Listing Rules and/or the Corporations Act Options may not be offered to a Director or his or her associates except where approval is given by the Shareholders of the Company in a general meeting.

### **3.4 Deferred taxation**

This Plan is subject to deferred taxation for the purposes of applicable tax laws and for all other purposes.

## **4 Offers**

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### **4.1 Eligibility**

The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Plan.

### **4.2 Offer to Eligible Participants**

Following determination that an Eligible Participant may participate in the Plan, the Board may from time to time make an Offer in writing to an Eligible Participant in the form of the Offer Documents or in a form approved by the Board from time to time. Subject to Rule 4.3, the manner form, content, timing and frequency of an Offer will be as determined by the Board in its sole and absolute discretion.

### **4.3 Form of Offer Document**

Each Offer Document must specify:

- (a) the date of the Offer Final Acceptance Date;
- (b) the name and address of the Eligible Participant to whom the Offer is made;
- (c) the type of Options being offered;
- (d) the maximum number of Options being offered;
- (e) in the case of an Option, the Exercise Price and the Exercise Period;
- (f) the Vesting Conditions (if any) relating to the Options being offered;
- (g) the Term and Expiry Date;
- (h) the rights and liabilities attaching to the Plan Shares;
- (i) any restrictions attaching to the Options and/or Plan Shares;
- (j) agreement with the Eligible Participant for the Company to supply details to third parties where required by law;
- (k) any other matters required to be specified in the Offer by either the Corporations Act, the Listing Rules or an applicable ASIC Class Order or instrument of relief;
- (l) any other terms and conditions attaching to the Options.

and attach an Application and a copy of this Plan.

## **5 Application for Options**

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### **5.1 Acceptance**

- (a) An Eligible Participant who wishes to accept an Offer must confirm in writing its acceptance of the conditions of the grant or issue of Options (as applicable) and the rules governing such Options as a condition of its participation by giving to the Company a duly completed Application by the Final Acceptance Date.
- (b) For the avoidance of doubt, the Board in its sole and absolute discretion can refuse to allow an Eligible Participant to participate in the Plan even though an Application is received from the Eligible Participant in accordance with Rule 5.1(a).
- (c) An Eligible Participant may in his or her discretion accept the Offer in whole or in part, in such multiple as the Board may allow in its sole and absolute discretion. An Eligible Participant cannot accept less than the number of Options that would constitute the minimum parcel determined by the Board.

### **5.2 Permitted Nominee**

- (a) The Board may, in its sole and absolute discretion, determine that an Eligible Participant to whom an Offer is made may give notice that they would prefer such Offer be made to a Permitted Nominee.
- (b) The Board may in its sole and absolute discretion determine whether it will make the Offer to the Permitted Nominee and on what conditions it will agree to do so.
- (c) An Eligible Participant must immediately notify the Company in writing as soon as it becomes aware, in the case of a Permitted Nominee which is a company or trust:
  - (i) that it ceases to Control its Permitted Nominee;
  - (ii) of any transaction which may result in it ceasing to Control its Permitted Nominee; or
  - (iii) that it cease to have an entitlement (whether or not that entitlement requires an exercise of discretion) to a majority of the distributions of its Permitted Nominee.
- (d) If an Eligible Participant ceases to Control its Permitted Nominee at any time (in the case of a Permitted Nominee which is a company or trust), the Board may determine that any Options granted to the Permitted Nominee be transferred to the Eligible Participant or to another Permitted Nominee which is acceptable to the Board.

### **5.3 Participation**

Following receipt of an Application by the Final Acceptance Date and subject to Rule 5.1(b), and provided that the Eligible Participant is then still an Eligible Participant of a Group Company, the Eligible Participant will be entitled to participate in the Plan according to its terms.

### **5.4 Grant**

On the Grant Date, the Company will grant or issue to the relevant Eligible Participant the number of Options as set out in the Offer and issue the Participant a notice confirming the grant or issue of the Options together with a Certificate.

### **5.5 Lapse of Offer**

An Offer not accepted in accordance with Rule 5.1 will lapse at 5.00pm Perth time on the Final Acceptance Date.

### **5.6 Withdrawal of Offer prior to acceptance**

The Board reserves the right (subject to any Applicable Law) to withdraw an Offer made to an Eligible Employee, provided that the Offer has not yet been accepted in accordance with Rule 5.1.

## **6 Terms of Options**

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### **6.1 Plan Shares**

Any Plan Share issued pursuant to this Plan pursuant to an exercise of an Option will rank equally with all existing Shares from the date of issue.

### **6.2 Participant rights**

A Participant who holds Options is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
- (b) receive any dividends declared by the Company,

unless and until the Option is exercised and the Participant holds Plan Shares as a result of the exercise.

### **6.3 No adjustment to Options to reflect payment of dividends and distributions**

No adjustment will be made to the number of Options granted to a Participant under the Plan if dividends or other distributions are paid on Shares before Options are exercised.

### **6.4 Conditions for vesting**

- (a) The Board will determine prior to an Offer being made, and specify in the Offer, any Vesting Conditions attaching to the Options. The Board may apply different Vesting Conditions to one or more portions of any Options.
- (b) Options will only vest if any applicable Vesting Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules.

### **6.5 No transfer of Options**

- (a) Options granted under this Plan may not be assigned, transferred, novated, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:
  - (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
  - (ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (b) Unless otherwise decided by the Board, where a Participant purports to transfer an Option other than in accordance with Rule 6.5(a), the Option (as the case may be) immediately lapses.

## **6.6 New issues**

An Option does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

## **6.7 Options to be registered**

Options will be registered in the appropriate register of the Company to facilitate the efficient management and administration of the Plan and to comply with regulatory reporting requirements.

## **6.8 Quotation**

The Company will not seek Quotation of any Options, but will seek Quotation for Plan Shares issued on the exercise of Options provided the Company is listed on the ASX at the time.

## **6.9 Other terms and conditions**

Options will otherwise be issued on the terms and conditions set out in or included with the Offer, which will be determined by the Board in its sole and absolute discretion.

# **7 Options**

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## **7.1 Exercise Period**

The Exercise Period for Options will commence when any Vesting Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and will end on the Expiry Date, subject to these Rules and the terms of the Securities Trading Policy.

## **7.2 Vesting Notification**

Options are deemed to have vested if and when any Vesting Conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under these Rules, and where the Company has issued a Vesting Notification to the Participant informing it that some or all its Options have vested and are exercisable.

## **7.3 Method of exercise of Options**

At the sole and absolute discretion of the Board, following the issuing of a Vesting Notification to a Participant, a vested Option may be exercised by the Participant within the Exercise Period, and by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed Notice;
- (b) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price;
- (c) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and
- (d) where required by the Company in accordance with Rule 16.2, payment in full of the amount of the Withholding Tax Amount that the Company is required to remit as a result of the exercise of the Option, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant.

#### 7.4 Minimum exercise of Options

Options must be exercised in multiples of 500 unless fewer than 500 Options are held by a Participant or the Board otherwise agrees.

#### 7.5 No issue unless cleared funds

Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless determined otherwise by the Board, issue Plan Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

#### 7.6 Cashless Exercise Facility

- (a) A Participant may, subject to paragraph (c) below, request to pay the Exercise Price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off. Any such request must be expressly made by the Participant in the Exercise Notice. The Board may approve or refuse the request in its sole and absolute discretion
- (b) If a Participant elects to use the Cashless Exercise Facility, the holder will only be issued that number of Plan Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Option being exercised and the then market value of Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading-day period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = O \times \frac{(MSP - EP)}{MSP}$$

Where:

S = Number of Plan Shares to be issued on exercise of the Options

A = Number of Options

MSP = Market value of Plan Shares (calculated using the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading day-period immediately preceding the exercise date)

EP = Option Exercise Price

- (c) If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of Shares at the time of exercise (calculated in accordance with paragraph (b)) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

#### 7.7 Actions on exercise of Options

On completion of the exercise of Options:

- (a) the Options will automatically lapse;
- (b) the Company will, within 10 Business Days, issue the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of the Options;
- (c) deliver to the Participant a holding statement for the Plan Shares; and

- (d) the Company will issue a substitute Certificate for any remaining Options.

## 8 Breach, fraud or dishonesty

Where, in the opinion of the Board, a Participant:

- (a) acts fraudulently or dishonestly; or
  - (b) is in material breach of his or her duties or obligations to any Group Company,
- then the Board may in its sole and absolute discretion determine that:
- (c) all vested or unvested Options will lapse; and/or
  - (d) where any Plan Shares have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.

## 9 Cancellation of Options with consent

Notwithstanding any other provisions of these Rules, and subject to the Listing Rules, if a Participant and the Board agree in writing that some or all of the unvested Options and/or vested Options granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Options on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

## 10 Lapse of Options

### 10.1 Lapsing

Subject to the other Rules of this Plan including rules 6 and 8, the terms and conditions in the Offer (including the specific terms and conditions of the Options) and unless the Board decides otherwise, if an event in the table below occurs in respect of an Eligible Participant, the Eligible Participant's Options are treated in accordance with the following table:

Event	On or before Exercise Date	During the Exercise Period
Eligible Participant employment or consultancy arrangement (as applicable) is lawfully terminated and the Eligible Participant is a Good Leaver	Options lapse	The Expiry Date is adjusted to 60 days after the Termination Date or a later date decided by the Board
Eligible Participant employment or consultancy arrangement (as applicable) is lawfully terminated and the Eligible Participant is a Bad Leaver	Options lapse	Options Lapse



Eligible Participant's resignation or vacation from the Board, employment or consultancy with the Group	Options lapse	The Expiry Date is adjusted to 30 days after the date of the resignation or a later date decided by the Board
Eligible Participant being made redundant	Options lapse	The Expiry Date is adjusted to 60 days after the date of the redundancy or later date is decided by the Board
Death or disability of the Eligible Participant (so that they are unable to perform normal duties in the opinion of a medical practitioner nominated by the board)	Options lapse 90 days after the date of death or disability	There is no adjustment and the representative of the Eligible Participant or its estate, as applicable, may exercise the Options before the Expiry Date
Eligible Participant loses Control of its Permitted Nominee and the Options are not transferred to the Eligible Participant under Rule 5.2(d)	Options lapse	Options lapse

Notwithstanding the foregoing, if the Term of an Option held by any Participant would otherwise expire during, or within 10 Business Days of the expiration of a Blackout Period applicable to such Participant, then the term of such Option shall be extended to the close of business on the 10th Business Day following the expiration of the Blackout Period.

## 10.2 What happens on lapsing

Where a Participant's Options have lapsed under Rule 10.1, the Company will:

- (a) notify the Participant that the Options held by it have lapsed;
- (b) arrange for the Participant or the Participant's agent or attorney to sign any transfer documents required to transfer or otherwise deal with the Options; and
- (c) not be liable for any damages or other amounts to the Participant in respect of the Options.

## 11 Rights attaching to Plan Shares

### 11.1 Shares to rank equally

Any Plan Shares issued by the Company to a Participant will rank equally with all existing Shares on and from the date of issue.

### 11.2 Dividends

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on the Plan Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

### **11.3 Dividend reinvestment**

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant and such participation must be in respect of all such Plan Shares. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant.

### **11.4 Voting rights**

A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name.

## **12 Change of Control Event**

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### **12.1 Change of Control Event**

If a Change of Control Event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Options held by a Participant will be treated, including but not limited to:

- (a) determining that unvested Options (or a portion of unvested Options) will vest and become immediately exercisable or convertible with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event; and/or
- (b) reducing or waiving any of the Vesting Conditions attaching to those unvested Options in accordance with Rule 7.1.

### **12.2 Notice to Participants**

Whether or not the Board determines to accelerate the vesting of any Options, the Company shall give written notice of any proposed Change of Control Event to each Participant.

## **13 Capital events**

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### **13.1 Variation of capital**

If there are variations to the share capital of the Company including a variation or rights issue, sub-division, consolidation, reduction, return or cancellation of share capital, a demerger (in whatever form) or other distribution in specie, the Board may adjust the number of Options to which a Participant is entitled and the Exercise Price (if applicable) in accordance with the Listing Rules.

### **13.2 Fairness in application**

In the application of this Rule 13, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules.

### **13.3 Notice of variation**

As soon as reasonably practicable after making any adjustment under Rule 13.1, the Board will give notice in writing of the adjustment to any Participant affected by it.



## 14 Power of Attorney

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In consideration of the issue of any Option, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of the Options, including for the purposes of giving effect to the buy-back or sale of forfeited Plan Shares, and the application of the proceeds of the sale of forfeited Plan Shares. The Participant (or after his or her death, his or her legal representative) will be deemed to ratify and confirm any act or thing done under this power and to indemnify and keep indemnified the attorney in respect of doing so.

## 15 Powers of the Board

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This Plan will be administered by the Board which will have an absolute discretion to:

- (a) determine appropriate procedures for administration of the Plan consistent with this Plan;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with this Plan;
- (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions under this Plan; and
- (d) formulate special terms and conditions (subject to the Listing Rules), in addition to those set out in this Plan to apply to Participants employed and/or resident in and/or who are citizens of countries other than Australia. Each of these special terms and conditions will be restricted in their application to those Participants employed and/or resident in and/or who are citizens of other jurisdictions.

## 16 Taxation

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### 16.1 No liability

Neither the Company nor its directors, officers, employees, representatives, advisers or agents:

- (a) take any responsibility or assume any liability for the Tax liabilities of Eligible Participants or Participants as a consequence of their participation in the Plan; or
- (b) represent or warrant that the Plan will have any particular Tax or financial consequences or that the Eligible Participant or Participant will gain any Tax or financial advantage by participating in the Plan.

### 16.2 Taxes

Upon the issue or exercise of an Option, the Participant shall make arrangements satisfactory to the Company regarding payment of any federal, state, provincial, local or other taxes of any kind required by law to be paid in connection with the issue or exercise of an Option. In order to satisfy the Company's obligation, if any, to remit an amount to a taxation authority on account of such taxes in respect of the exercise, transfer or other disposition of an Option (**Withholding Tax Amount**), the Company shall have the right, at its discretion, to:

- (a) retain and withhold amounts from any amount or amounts owing to the Participant, whether under this Plan or otherwise;
- (b) require the Participant to pay to the Company the Withholding Tax Amount as a condition of exercise or issue of an Option by a Participant, where the payment received by the Company shall be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and/or
- (c) withhold from the Plan Shares otherwise deliverable to the Participant on exercise of Options such number of Shares as have a market value not less than the Withholding Tax Amount and cause such withheld Shares to be sold on the Participant's behalf to fund the Withholding Tax Amount, where:
  - (i) the Company will not be responsible for obtaining any particular price for the Shares;
  - (ii) the proceeds of any Shares sold shall be held by the Company on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and
  - (iii) any proceeds from such sale in excess of the Withholding Tax Amount shall be promptly paid over to the Participant.

Notwithstanding the foregoing, nothing shall preclude the Company and the Participant from agreeing to use a combination of the methods described in this Rule 16.2 or some other method to fund the Withholding Tax Amount.

## 17 Commencement, suspension, termination and amendment of the Plan

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### 17.1 Commencement

Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Options, the Plan will take effect when the Board decides.

### 17.2 Suspension or termination

- (a) Subject to Rule 17.2(b), the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.
- (b) In passing a resolution to terminate or suspend the operation of the Plan, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

### 17.3 Options Issued Before Termination

Participants who hold an Option issued pursuant to the Plan, before termination of the Plan under Rule 17.2, will continue to be entitled to exercise such Option in accordance with the Plan and the Company will be bound to comply with the Plan in respect of such Options.

### 17.4 Amendment of Plan

- (a) Subject to Rules 17.4(b) and 17.4(c), the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms upon which any Options have been granted under the Plan. Without limiting the scope of the foregoing, the Board may make the following amendments to the Plan without shareholder approval:
  - (i) amendments of the type described in Rule 17.4(b)(i);

- (ii) amendments of a "housekeeping" nature, which include amendments relating to the administration of the Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof;
  - (iii) changing the vesting and exercise provisions of the Plan or any Options in a manner which does not entail an extension beyond the originally scheduled Expiry Date for any applicable Option, including to provide for accelerated vesting and early exercise of any Options deemed necessary or advisable in the Board's discretion;
  - (iv) changing the termination provisions of the Plan or any Options which, in the case of an Option, does not entail an extension beyond an Option's originally scheduled Expiry Date or end date for that Option;
  - (v) adding a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying Shares from the Plan reserve;
  - (vi) changing the provisions on transferability of Options for normal estate settlement purposes;
  - (vii) changing the process by which a Participant who wishes to exercise his or her Option can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered; and
  - (viii) adding a conditional exercise feature which would give Participants the ability to conditionally exercise in certain circumstances determined by the Board in its discretion, at any time up to a date determined by the Board in its discretion, all or a portion of those Options granted to such Participants which are then vested and exercisable in accordance with their terms, as well as any unvested Options which the Board has determined shall be immediately vested and exercisable in such circumstances.
- (b) No amendment to these Rules or to the terms of any Options granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Options granted to them prior to the date of the amendment, other than:
- (i) an amendment introduced primarily:
    - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
    - (B) to correct any manifest error or mistake;
    - (C) to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
    - (D) for the purpose of complying with Applicable Laws; and/or
    - (E) to take into consideration possible adverse taxation implications (including, without limitation, on account of fringe benefits tax) for the Company in respect of the Plan or the Options granted, including as a result of changes to applicable taxation legislation or the interpretation of that legislation by any taxation authority or a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
  - (ii) an amendment agreed to in writing by the Participant(s).

- (c) Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Company under any applicable securities laws or requirements shall become effective until such approval is obtained. Without limitation of the foregoing, the approval of a majority of the shareholders of the Company present in person or by proxy and entitled to vote at a meeting of shareholders shall be required for the following matters, to the extent required by applicable securities laws and regulatory requirements:
- (i) any amendment to the provisions of this Rule 17.4;
  - (ii) any amendment to increase the Plan Limit (other than pursuant to Rule 13.1);
  - (iii) any reduction in the Exercise Price of an outstanding Option (including a cancellation and re-grant of an Option, constituting a reduction of the Exercise Price of an Option) or extension of the period during which an Option may be exercised,
- in each case, unless the change results from the application of Rule 13.
- (d) Subject to the Listing Rules and, if applicable, any shareholder approval, the Board may determine that any amendment to these Rules or the terms of Options granted under the Plan be given retrospective effect.
  - (e) Amendment of these Rules or the terms upon which Options are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.
  - (f) As soon as reasonably practicable after making any amendment to these Rules or the terms of Options granted under the Plan, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

#### **17.5 Amendment by addendum**

Subject to any other provision of these Rules, the Board may from time to time amend the terms of this Plan as they will apply in particular jurisdictions or circumstances by means of an addendum to these Rules.

### **18 Listing Rules**

While the Company remains admitted to the ASX, the terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

### **19 Buy-Back**

Subject to compliance with Applicable Laws, the Company may Buy-Back Options for an amount agreed with the Participant at any time. Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of his or her Options or Plan Shares.

### **20 No Hedging**

If restricted by Applicable Law, a Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting its economic exposure to any Options.

## 21 Clawback

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the Vesting Conditions, in respect of certain vested Options, were not, or should not have been determined to have been, satisfied, then the Participant will cease to be entitled to those vested Options and the Board may:

- (a) by written notice to the Participant cancel the relevant vested Options for no consideration;
- (b) by written notice to the Participant require that the Participant pay to the Company the after tax value of the vested Options (and which have been converted into Plan Shares), with such payment to be made within 30 Business Days of receipt of such notice; or
- (c) adjust fixed remuneration, incentives or participation in this Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the vested Options (and which have been converted into Plan Shares).

## 22 Contravention of Applicable Laws

- (a) No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of unexercised Options or Plan Shares.
- (b) Without limiting Rule 22(a) above, no person may, whether directly or indirectly, provide financial assistance which is prohibited by the Corporations Act to an Eligible Participant for the purposes of, or in connection with, the acquisition of Awards under the Plan.
- (c) Notwithstanding any of the provisions contained in this Plan or in any Offer, the Company's obligation to issue Plan Shares shall be subject to the following:
  - (i) completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental authority or stock exchange as the Company shall determine to be necessary or advisable in connection with the authorisation, issuance or sale thereof;
  - (ii) the admission of such Shares to listing on any stock exchange(s) or over-the-counter market on which the Shares may then be listed or quoted; and
  - (iii) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any applicable jurisdiction.
- (d) In connection with Rule 22(c), the Company shall, to the extent necessary, take all steps determined by the Board, in its discretion, to be reasonable to obtain such approvals, registrations and qualifications as may be necessary for the issuance or procurement of such Shares in compliance with applicable securities laws and for the listing or quotation of such Shares on any stock exchange(s) on which the Shares are then listed or quoted.



## 23 Rights of Participants

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Nothing in these Rules, participation in the Plan or the terms of any Option:

- (a) confers upon an Eligible Participant a right to a grant or offer of a grant of Options;
- (b) confers on an Eligible Participant or a Participant the right to continue as an employee, Contractor or officer of any Group Company (as the case may be) or participate in the Plan;
- (c) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
- (d) affects the rights and obligations of any Eligible Participant or Participant under the terms of its employment, engagement or office with any Group Company;
- (e) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of its employment, engagement or office;
- (f) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of its employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (g) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives, advisers or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

## 24 ASIC relief

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Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule 24 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

## 25 Non-exclusivity

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### 25.1 Non-exclusivity

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible Participant, nor will it preclude any Group Company from authorising or approving other forms of incentive compensation for employees or Contractors of any Group Company.

### 25.2 Relationship to other equity plans

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any Group Company, except as specifically provided in the terms of that other plan.

## 26 General

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### 26.1 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares (except for taxes, which are payable by Participants, and the Exercise Price for Options) for the purposes of the Plan. Each Group Company will, if required by the Board, reimburse the Company for any such costs and charges to the extent that they relate to its employees or officers, or former employees or officers.

### 26.2 Data protection

By submitting an Application, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

### 26.3 Error in Allocation

If any Option is provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in that Option and any such Options will immediately lapse or be forfeited.

### 26.4 Dispute

Any disputes or differences of any nature arising under the Plan will be referred to the Board for determination.

### 26.5 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

### 26.6 Non-residents of Australia

- (a) The Board may adopt additional Rules applicable to any jurisdiction outside Australia under which Options offered under the Plan may be subject to additional or modified terms, having regard to any securities exchange control or taxation laws or regulations or similar factors which may apply to the Participant or any Group Company in relation to those Options. Any additional Rule must conform to the basic principles of the Plan.
- (b) When an Option is granted under the Plan to a Participant who is not a resident of Australia, the Rules apply subject to such alterations or additional terms as the Board determines having regard to any securities exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Option.

#### **26.7 Enforcement**

These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Options granted under the Plan, will be deemed to form a contract between the Company and the Participant.

#### **26.8 Participants Bound**

Participants issued Options under this Plan are bound by this Plan and by the Constitution of the Company.

#### **26.9 Notices**

(a) Address for service

- (i) Any notice required to be given to the Participants under the Plan or the terms of the Options granted will be sent to the address of the Participant as entered in the register unless delivered in person.
- (ii) Any notice required to be given to the Company under the Plan or the terms of the Options granted will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.

(b) Delivery of notices

- (i) Any notice to be given to Participants may be delivered by hand to the Participant or by any other means specified in the Constitution for delivery of notices to members.
- (ii) Any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of facsimile, e-mail or other mode of electronic delivery to such address as is notified by the Company to the Participant.
- (iii) Notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia. Notices delivered by facsimile, e-mail or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

#### **26.10 Governing Law**

This Plan and any Options granted under it shall be governed by and is to be construed in accordance with the laws of the State of Western Australia and the Commonwealth of Australia.



## Annexure F – Valuation Report

**RESAPP HEALTH LIMITED**  
Valuation of unlisted options

13 September 2016





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38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

13 September 2016

The Directors  
ResApp Health Limited  
Level 24, 44 St Georges Terrace  
Perth, WA 6000

Dear Directors

## VALUATION OF UNLISTED OPTIONS

This report ('Report') has been prepared by BDO Advisory (WA) Pty Ltd ('BDO Advisory') in connection with the valuation of unlisted options ('the Options') intended to be granted by Resapp Health Limited ('ResApp' or 'the Company') for a Notice of Meeting.

This document has been prepared solely for the directors of ResApp for the purpose stated herein and should not be relied upon for any other purpose. This report is strictly confidential and, except to the extent required by applicable law and regulation, must not be released to any third party without our express written consent in each instance that we may at our discretion grant, withhold or grant subject to conditions. BDO Advisory accepts no duty of care to any third party for this report.

The information used by BDO Advisory in preparing this report has been obtained from a variety of sources as indicated within the report. While our work has involved analysis of financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us by and on your behalf.

If you require any clarification or further information, please do not hesitate to contact Adam Myers on (08) 6382 4600.

Yours faithfully  
BDO Advisory (WA) Pty Ltd

Adam Myers  
Director

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BDO Advisory (WA) Pty Ltd



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## 1. INTRODUCTION

BDO Advisory has been engaged by ResApp to undertake a valuation of the Options intended to be granted to the Chief Executive Officer ('CEO') and Directors of the Company, for inclusion in the Company's Notice of Meeting.

The key information we have received and used in our valuation is set out in Appendix 1.

## 2. TERMS OF THE OPTIONS

We understand the terms of the Options to be issued are as follows:

Item	Tranche A	Tranche B
Number of Options	7,200,000	7,400,000
Exercise price	\$0.440	\$0.734
Valuation date	8-Sep-16	8-Sep-16
Expiry date	8-Sep-19	8-Sep-19
Life of the Options (years)	3.00	3.00
Vesting conditions	nil	nil



### 3. VALUATION METHODOLOGY

Options without market based vesting conditions can be exercised at any time following vesting up to expiry date, and as such are more suitably valued using a binomial option pricing model.

Option pricing models assume that the exercise of an option does not affect the value of the underlying asset.

We have used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model.

Under AASB 2 'Share Based Payments' and option valuation theory, no discount is made to the fundamental value derived from the option valuation model for unlisted options over listed shares.



## 4. VALUATION OF THE OPTIONS

In valuing the Options, we made the following assumptions regarding the inputs required for our option pricing model:

### 4.1 Valuation Date

The Options are intended to be issued at the Company's shareholder meeting, which is to be held at a future date subsequent to the issue of our report. For the purpose of our valuation, we have adopted 8 September 2016 as our valuation date.

### 4.2 Underlying Share Price

The valuation of the Options is for inclusion in a Notice of Meeting, and as such, the latest market share price of ResApp is the most up to date value of the Company's shares. The closing share price of ResApp as at the valuation date was \$0.370, which we have input into our Option pricing model.

### 4.3 Exercise Price of the Options

The exercise price is the price at which the underlying ordinary shares will be issued.

For the Tranche A Options, the exercise price is equal to a 20% premium of the 20-day volume weighted average price ('VWAP') immediately before 16 September 2016. For the purpose of our valuation, we have adopted the 20-day VWAP, as at the valuation date, as the exercise price of the Options. The exercise price for the Options is \$0.440.

For the Tranche B Options, the exercise price is equal to a 100% premium of the 20-day volume weighted average price ('VWAP') immediately before 16 September 2016. For the purpose of our valuation, we have adopted the 20-day VWAP, as at the valuation date, as the exercise price of the Options. The exercise price for the Options is \$0.734.





#### 4.4 Life of the Options

We have estimated the life of the Options for the purpose of our valuation. The minimum life of the Options is the length of any vesting period. The maximum life is based on the expiry date, which is three years for the Options.

Under AASB 2 "Share Based Payments", the expected life of the Options needs to reflect the potential for early exercise. The potential for early exercise tends to reduce the effective life, and consequently the value of options.

With consideration for this, there are many factors that determine the rationale for exercising options and therefore, the effective life of those options.

There is a limited track record of unlisted options being exercised early. Generally, early exercise occurs:

- if the options are deep in the money as it is profitable for the holder of the option to exercise the options;
- if the stock pays a dividend as the opportunity cost of holding the option is high;
- if the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock; and
- when the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of valuing the Options we have estimated an exercise date as the expiry date, giving the Options an effective life of three years, which we have input into our option pricing model.

#### 4.5 Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future; and
- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

The recent volatility of the share price of ResApp and comparable companies was calculated by Hoadley's volatility calculator for one, two and three year periods, using data extracted from Bloomberg. For the purpose of our valuation, we used a future estimated volatility level of 100% for ResApp in our option pricing model.





#### **4.6 Risk-Free Rate of Interest**

We have used the Australian Government three year bond rate of 1.48% as at the valuation date, as an input to our option pricing model.

#### **4.7 Dividends Expected on the Shares**

ResApp is currently unlikely to pay a dividend during the life of the Options.

#### **4.8 Vesting Conditions**

The valuation of the Options assumes that the Options vest immediately as there are no vesting conditions.

We are not aware of any other performance hurdles that must be achieved that would otherwise potentially dilute the value of the Options to the holder on the assumption that they may not vest. Under AASB 2 "Share Based Payments", no adjustment is made for non-market vesting conditions.



## 5. CONCLUSION

We set out below our conclusions as to the value of the Options:

Item	Tranche A	Tranche B
Underlying share price	\$0.370	\$0.370
Exercise price	\$0.440	\$0.734
Valuation date	8-Sep-16	8-Sep-16
Expiry date	8-Sep-19	8-Sep-19
Life of the Options (years)	3.00	3.00
Volatility	100%	100%
Risk free rate	1.48%	1.48%
Number of Options	7,200,000	7,400,000
Valuation per Option	\$0.218	\$0.179
Valuation per Tranche	\$1,596,600	\$1,324,600



## APPENDIX 1 - SOURCES OF INFORMATION

The key information we have relied upon in our valuation includes:

- Confirmation of the terms of the Options from Management;
- Price, volatility and volume traded of the Company's shares obtained from Bloomberg;
- Australian Government bond yield obtained from Reserve Bank of Australia; and
- Discussions with Management.

## Annexure G

### Nomination for the appointment of Grant Thornton as Auditor

08/09/2016

The Board of Directors  
ResApp Health Limited  
Level 24, 44 St Georges Terrace  
PERTH WA 6000

Dear Sirs

#### **Nomination of Grant Thornton as Auditor of ResApp Health Limited**

Schammer Pty Ltd, being a shareholder of ResApp Health Limited, hereby nominates Grant Thornton Audit Pty Ltd of Level 1, 10 Kings Park Road, West Perth, Western Australia for the appointment as auditor of ResApp Health Limited ACN 094 468 318 at its 2016 Annual General Meeting.

I consent to the distribution of a copy of this nomination as an annexure to the Notice of Annual General Meeting of ResApp Health Limited as required by section 328B(3) of the *Corporations Act 2001* (Cth).

Yours faithfully



Byron Schammer  
Director  
Schammer Pty Ltd

**ResApp Health Limited**  
**ACN 094 468 318**

**Proxy Form**

**I/We**

**of**

being a member of ResApp Health Limited ACN 094 468 318 entitled to attend and vote at the Annual General Meeting, hereby

**Appoint**

**Name of Proxy**

**OR**

☐

the Chairman of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 2pm (AEST) on The Four Seasons Hotel Sydney, 199 George Street, Sydney on Wednesday 2 November 2016, and at any adjournment thereof.

**Important for Resolutions 1, 4 and 6 to 9 if the Chairman is your proxy or is appointed as your proxy by default**

If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the meeting (to extent permitted by law) to exercise my/our proxy in respect of Resolutions 1, 4 and 6 to 9 even though the Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel of ResApp Health Limited, which includes the Chairman of the Meeting.

If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the relevant boxes in the section below.

The Chairman intends to vote undirected proxies in favour of each Resolution, to the extent permitted by law

**OR**

<b>Voting on Business of the Annual General Meeting</b>		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Adoption of Remuneration Report – 2016 Annual Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Brian Leedman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Chris Ntoumenopoulos as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Options to Eligible Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Director Incentive Options to Dr Roger Aston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Director Incentive Options to Mr Chris Ntoumenopoulos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of issue of Director Incentive Options to Mr Brian Leedman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of issue of Director Incentive Options to Dr Tony Keating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of issue of Consultancy Incentive Options to Dr Paul Porter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Ratification of issue of Consultancy Incentive Options Dr Udantha Abeyrante	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Ratification of issue of Shares under April Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Ratification of issue of Advisory Shares under April Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

### Instructions for Proxy Form

**1. Your name and address**

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

**2. Appointment of a proxy**

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chairman of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chairman will be your proxy. A proxy need not be a Shareholder.

**3. Voting on Resolutions**

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

**4. Signing instructions**

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

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of Attorney)** If you have not already lodged the Power of Attorney with the Company's share registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

**5. Return of a Proxy Form**

To vote by proxy, please complete and sign the enclosed Proxy Form (and any Power of Attorney and/or second Proxy Form) and return by:

- post to the Company at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, Western Australian 6000; or
- facsimile to the Company on (08) 9218 8875,

so that it is received by no later than 2pm (AEST) on 31 October 2016. **Proxy Forms received later than this time will be invalid.**

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