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**IMAGION BIOSYSTEMS LIMITED**  
**ACN 616 305 027**

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TAKE NOTICE** that the Annual General Meeting of Shareholders of the Company will be held at the time, date and place specified below:

**Time:** 1.30pm (AEST)  
**Date:** Thursday, 31 May 2018  
**Place:** Holding Redlich  
Level 8, 555 Bourke Street  
Melbourne, Victoria 3000

## NOTICE OF ANNUAL GENERAL MEETING 2018

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Notice is given that the 2017 Annual General Meeting of Shareholders of Imagination Biosystems Limited will be held at 1.30pm (AEST) on Thursday, 31 May 2018 at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000 for the purpose of transacting the following business:

### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2017.

##### Resolution 1 Adoption of the Remuneration Report

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

*"THAT the Company adopt the Remuneration Report for the year ended 31 December 2017 in accordance with Section 250R(2) of the Corporations Act."*

**Note:** This resolution is advisory only and does not bind the Company or the Directors.

**Voting Exclusion Statement:**

*In accordance with sections 250BD(1) and 250R(4) of the Corporations Act, no member of the Key Management Personnel (KMP) of the Company, details of whose remuneration are included in the Remuneration Report, or a member of the KMP of the Group at the date of the meeting acting as proxy or a Closely Related Party of any such member may vote on Resolution 1.*

*However, in accordance with the Corporations Act, a person described above may vote on Resolution 1 if:*

- *it is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or*
- *it is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.*

*If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their proxy form the way the Chair must vote, in favour of Resolution 1.*

##### Resolution 2 Election of Director – David Ludvigson

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

*"THAT, Mr David Ludvigson, being a Director, who retires in accordance with clause 19.4 of the Company's Constitution and ASX Listing Rule 14.4 and being eligible, be re-elected as a Director of the Company."*

##### Resolution 3 Election of Director – Michael Harsh

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

*"THAT, Mr Michael Harsh, being a Director, who retires in accordance with clause 19.4 of the Company's Constitution and ASX Listing Rule 14.4 and being eligible, be re-elected as a Director of the Company."*

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**Resolution 4 Election of Director – Bronwyn Le Grice**


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

*“THAT, Ms Bronwyn Le Grice, being a Director, who retires in accordance with clause 19.4 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible, be re-elected as a Director of the Company.”*

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**Resolution 5 Re-Election of Director – Mark Van Asten**


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

*“THAT, Mr Mark Van Asten, being a Director, who retires in accordance with clause 20.3 of the Company’s Constitution and ASX Listing Rule 14.5 and being eligible, be re-elected as a Director of the Company.”*

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**Resolution 6 Re-Election of Director – Jovanka Naumoska**


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

*“THAT, Ms Jovanka Naumoska, being a Director, who retires in accordance with clause 20.3 of the Company’s Constitution and ASX Listing Rule 14.5 and being eligible, be re-elected as a Director of the Company.”*

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**Resolution 7 Appointment of Company Auditor**


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

*“ THAT, for the purpose of section 327B(1) of the Corporations Act and for all other purposes, RSM Australia, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as the auditor for the Company.”*

**Note:** A copy of the nomination is attached to the Explanatory Memorandum.

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**Resolution 8 Non-Executive Directors Fee Pool**


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

*“THAT, in accordance with ASX Listing Rule 10.17 and clause 21.4 of the Company’s Constitution and for all other purposes, the maximum aggregate amount of annual remuneration that may be paid to Non-Executive Directors of the Company be set at \$250,000 per annum, with effect from the date of this meeting.”*

**Voting Exclusion Statement:**

*The Company will disregard any votes cast in favour of this resolution by or on behalf of:*

- *A director of the Company; and*
- *An associate of a director.*

*However, the entity need not disregard a vote if:*

- *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*
- *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 9 Approval of issue of securities

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

**"THAT**, pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,529,053 Shares at a deemed issue price of \$0.08 per share to the University of Texas MD Anderson Cancer Center (**MD Anderson**), on such terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of The University of Texas MD Anderson Cancer Center, or any associate of that entity, who will obtain a material benefit, or any associate of a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- It is cast by the Chairman 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 10 Approval of issue of Options

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

**"THAT**, pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,000,000 unlisted Options to Pamplona Corporate Pty Ltd on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of Pamplona Corporate Pty Ltd, or any associate of that entity, who will obtain a material benefit, or any associate of a person who will obtain a material benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- It is cast by the Chairman 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 11 Approval of Incentive Option Plan (ISO)

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

**"THAT**, for the purposes of Exception 9 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of shares, performance rights or options under the ISO described in the Explanatory Memorandum as an exception to ASX Listing Rule 7.1."

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- A director of the Company; and
- An associate of a director.

However, the entity need not disregard a vote if:

- 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
- 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 12 Approval of issue of Performance Rights to Bronwyn Le Grice

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 150,000 performance rights, each to acquire 1 Share, to Ms Bronwyn Le Grice (or her nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan and on such terms and conditions more particularly described in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

*The Company will disregard any votes cast in favour of this resolution by or on behalf of:*

- *A director of the Company who are eligible to participate in the LTIP and any associates of those Directors; and*
  - *As a proxy member of KMP named in the remuneration report for the year ended 31 December 2017, or that KMP’s Closely Related Party, where the proxy appointment does not specify the way the proxy is to vote.*

*However, the entity need not disregard a vote if:*

- *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*
- *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 13 Approval of issue of Performance Rights to Jovanka Naumoska

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 50,000 performance rights, each to acquire 1 Share, to Ms Jovanka Naumoska (or her nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan and on such terms and conditions more particularly described in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

*The Company will disregard any votes cast in favour of this resolution by or on behalf of:*

- *A director of the Company who are eligible to participate in the LTIP and any associates of those Directors; and*
  - *As a proxy member of KMP named in the remuneration report for the year ended 31 December 2017, or that KMP’s Closely Related Party, where the proxy appointment does not specify the way the proxy is to vote.*

*However, the entity need not disregard a vote if:*

- *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*
- *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 14 Approval of issue of Performance Rights to Mark Van Asten

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

*“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 50,000 performance rights, each to acquire 1 Share, to Mr Mark Van Asten (or his nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan and on such terms and conditions more particularly described in the Explanatory Memorandum.”*

**Voting Exclusion Statement:**

*The Company will disregard any votes cast in favour of this resolution by or on behalf of:*

- A director of the Company who are eligible to participate in the LTIP and any associates of those Directors; and
  - As a proxy member of KMP named in the remuneration report for the year ended 31 December 2017, or that KMP's Closely Related Party, where the proxy appointment does not specify the way the proxy is to vote.

However, the entity need not disregard a vote if:

- 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
- 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 Approval of issue of Performance Rights to David Ludvigson**

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

**“THAT**, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 50,000 performance rights, each to acquire 1 Share, to Mr David Ludvigson (or his nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan and on such terms and conditions more particularly described in the Explanatory Memorandum.”

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- A director of the Company who are eligible to participate in the LTIP and any associates of those Directors; and
  - As a proxy member of KMP named in the remuneration report for the year ended 31 December 2017, or that KMP's Closely Related Party, where the proxy appointment does not specify the way the proxy is to vote.

However, the entity need not disregard a vote if:

- 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
- 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 16 Approval of issue of Performance Rights to Michael Harsh**

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

**“THAT**, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 50,000 performance rights, each to acquire 1 Share, to Mr Michael Harsh (or his nominee(s)) and the issue of underlying shares in respect of those performance rights, pursuant to the Long Term Incentive Plan and on such terms and conditions more particularly described in the Explanatory Memorandum.”

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- A director of the Company who are eligible to participate in the LTIP and any associates of those Directors; and
  - As a proxy member of KMP named in the remuneration report for the year ended 31 December 2017, or that KMP's Closely Related Party, where the proxy appointment does not specify the way the proxy is to vote.

However, the entity need not disregard a vote if:

- 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
- 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 17 Approval of 10% Placement Facility**

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

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

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person, or any associate of that person, who is expected to participate in the 10% Placement Facility and a person who will obtain a benefit, or any associate of a person who will obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- It is cast by the Chairman 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.

BY ORDER OF THE BOARD



JOVANKA NAUMOSKA  
Company Secretary

2 May 2018

## NOTES

### 1. Explanatory Memorandum

The Explanatory Memorandum and the annexure accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

### 2. Who may vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (AEST) on Tuesday 29 May 2018. This means that any Shareholder registered at 7.00pm (AEST) on Tuesday 29 May 2018 is entitled to attend and vote at the Meeting.

### 3. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- (a) A proxy need not be a Shareholder.
- (b) If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- (c) If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- (d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- (e) A Proxy Form accompanies this Notice.
- (f) Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- (g) If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- (h) The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- (i) If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- (j) The Proxy Form (together with any relevant authority) must be received by no later than 1.30pm (AEST) on Tuesday 29 May 2018 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).
- (k) The completed Proxy Form may be lodged as follows:
  - **Online:** <https://www.votingonline.com.au/ibxagm2018>
  - **By fax:** + 61 2 9290 9655
  - **By mail:** Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia
  - **In person:** Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia
- (l) The Chairman of the meeting intends to vote all available proxies in favour of all Resolutions.

### 4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting 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 must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.



**Imagination Biosystems Limited**  
**ACN: 616 305 027**

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Imagination Biosystems Limited (**Company**) to be held at 1.30pm (AEST) on 31 May 2018 at Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

### **Resolution 1**

#### **Adoption of the Remuneration Report**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 31 December 2017.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### **Voting consequences**

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

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the Directors of the Company who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the Executive Directors of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved by the Shareholders will be the Directors of the Company.

This is the Company's first Annual General Meeting and accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

#### **Voting Restrictions**

Members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution put to Shareholders that the Remuneration Report of the Company be adopted. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) The Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding Shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the resolutions of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

**Resolution 2 TO RESOLUTION 5**

**Election of Director – David Ludvigson, Michael Harsh and Bronwyn Le Grice**

Clause 19.4 of the Company’s Constitution and ASX Listing Rule 14.4, provides that a director appointed in addition to the current board is required to submit themselves for election by Shareholders at each annual general meeting.

**Election of Director – David Ludvigson**

Mr David Ludvigson retires in accordance with clause 19.4 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible, offers himself for re-election. Mr Ludvigson was appointed as a Director of the Company on 8 March 2017.

David is President and CEO of Nanomix, Inc, a mobile diagnostics company. Previously, David held executive leadership positions with Nanogen, Matrix Pharmaceutical, IDEC Pharmaceuticals, MIPS Computer Systems, and other high-tech companies. He began his career at Price Waterhouse. David holds a Bachelor of Science in Accountancy degree, and a Masters in Accounting Science degree, both from the University of Illinois.

**Election of Director – Michael Harsh**

Mr Michael Harsh retires in accordance with clause 19.4 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible, offers himself for re-election. Mr Harsh was appointed as a Director of the Company on 28 February 2017.

With almost 36 years’ service to GE, mostly with GE Healthcare on his résumé, Michael Harsh is extraordinarily fluent in the complex processes of transforming high-potential platform technologies into successful medical diagnostic products. As the Global Technology Leader of Imaging Technologies at GE Global Research, he directed the company’s research in X-ray, CT, MRI, Ultrasound, Nuclear Medicine, PET, and Optical Imaging, as well as research associated with computer visualization/image analysis and superconducting systems. In 2008, Michael was elected to the America Institute for Medical and Biological Engineering (AIMBE) College of Fellows for his contributions to medical and biological engineering. Michael earned his Bachelor’s degree in Electrical Engineering from Marquette University.

**Election of Director – Bronwyn Le Grice**

Ms Bronwyn Le Grice retires in accordance with clause 19.4 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible, offers herself for re-election. Ms Le Grice was appointed as a Director of the Company on 26 April 2018.

Bronwyn has over 15 years’ experience in the health technology sector spanning venture capital, transaction management, capital raising, corporate development, investor relations and industry advocacy.

She is currently Managing Director of ANDHealth, a unique industry-led non-profit organisation focused on strengthening the Australia digital health ecosystem and de-risking innovations in digital health, with a focus on clinical evidence, commercialisation and investment readiness. As the Founder of ANDHealth, Bronwyn is also the chief architect of the ANDHealth+ program, which provides critical support to Australian mid-stage digital health companies to enable them to meet key investor, partner and customer requirements in relation to both clinical and commercial validation. Prior to ANDHealth Bronwyn held the role of Investment Director with leading Australian healthcare venture capital firm, BioScience Managers, where she was responsible for managing significant transactions in the health technology & digital health sectors resulting in over A\$65m of private and public equity raisings, including IPO’s on the Australia Stock Exchange and the UK Alternative Investments Market, in addition to participating in deal origination, due diligence and negotiation for two funds totalling A\$96m under management.

Bronwyn is a member of the Australia New Zealand Leadership Forum Health Technologies Sector Working Group and the RMIT University Health and Biomedical Sector Expert Research Advisory Group.

**Board Recommendation**

The Board unanimously (with Mr Ludvigson, Mr Harsh and Ms Le Grice abstaining in relation to their own appointments) supports the election of David Ludvigson, Michael Harsh and Bronwyn Le Grice. The Board recommends that Shareholders vote in favour of Resolution 2, Resolution 3, and Resolution 4.

## **RESOLUTION 5 and RESOLUTION 6**

### **Re-Election of Director – Mark Van Asten and Ms Jovanka Naumoska**

Clause 20.3 of the Company's Constitution, provides that one third of all existing Directors, excluding the Managing Director, must retire by rotation each annual general meeting.

#### **Re-Election of Director – Mark Van Asten**

Mr Mark Van Asten retires in accordance with clause 20.3 of the Company's Constitution and ASX Listing Rule 14.5 and being eligible, offers himself for re-election. Mr Van Asten was appointed as a Director of the Company on 6 December 2016.

As the Managing Director and founder of Diagnostic Technology Pty Ltd, Mark has been responsible for the development, introduction, and mainstream healthcare adoption of technologies throughout Australia and Asia, such as HPV DNA testing for cervical cancer screening and molecular monitoring for both viral infections and cancer treatments. Concurrent with his founding and leadership of Diagnostic Technology Pty Ltd, Mark has held several director-level business development positions with US and Australian diagnostics corporations.

#### **Re-Election of Director – Jovanka Naumoska**

Ms Jovanka Naumoska retires in accordance with clause 20.3 of the Company's Constitution and ASX Listing Rule 14.5 and being eligible, offers herself for re-election. Ms Naumoska was appointed as a Director of the Company on 6 December 2016.

Jovanka Naumoska is an Australian-qualified corporate lawyer with board-level experience in legal issues pertaining to medical imaging technology. Jovanka has served as Senior Corporate Lawyer and Policy Advisor for Australian Nuclear Science and Technology Organisation (ANSTO), and currently holds the position of Manager, Business Excellence, serving a cross-functional role in business operations, intellectual property development, and regulatory compliance. Jovanka also serves on the Board of Directors for PETNET Australia Pty Ltd, a state-of-the-art PET (Positive Emission Tomography) radiopharmaceutical production facility. After receiving her Bachelor of Science degree from the University of Wollongong, Jovanka earned both the Bachelor of Law degree and the Graduate Diploma in Legal Practice, also from the University of Wollongong. In addition, she holds a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia

#### **Board Recommendation**

The Board unanimously (with Mr Van Asten and Ms Naumoska abstaining in relation to their own appointments) supports the election of Mark Van Asten and Jovanka Naumoska. The Board recommends that Shareholders vote in favour of Resolution 5 and Resolution 6.

## **RESOLUTION 7**

### **Appointment of Company Auditor**

Resolution 7 seeks Shareholder approval for the re-appointment of RSM as the auditor for the Company whose tenure as auditor ceases at this meeting of Shareholders, being the first annual general meeting of the Company.

Section 327A(2) of the Corporations Act requires that the initial auditor of a public company holds office only until the Company's first annual general meeting. Under section 327B(1) of the Corporations Act, the Company must appoint an auditor at its first annual general meeting.

The Company has received a nomination for RSM to act as its auditor. A copy of the nomination is annexed to this Explanatory Memorandum. The Company confirms that RSM has given and not withdrawn its consent to act as auditor as at the date of the Notice.

#### **Board Recommendation**

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 7.

## **RESOLUTION 8**

### **Non-Executive Directors Fee Pool**

The ASX Listing Rules (Listing Rule 10.17) and the Company's Constitution provide that the maximum aggregate amount per annum that may be paid as fees to Non-Executive Directors (**Fee Cap**) must not be increased without the approval of the Company's Shareholders at a general meeting.

No Fee Cap has been set as at the date of this Notice, as this Annual General Meeting is the Company's first general meeting. Accordingly, Resolution 8 seeks Shareholder approval to set the Fee Cap at A\$250,000 per annum. The Fee Cap (if approved by Shareholders) excludes remuneration paid to executive Directors.

If approved, the Fee Cap will take effect on the date of the Annual General Meeting.

The Directors consider it reasonable and appropriate at this time to set the Fee Cap at A\$250,000 per annum. for the following reasons:

- (a) the Fee Cap amount will provide flexibility for the Company to continue to attract and retain Non-Executive Directors of a high calibre;
- (b) the Fee Cap amount provides headroom for future adjustments to Non-Executive Directors fees in line with market conditions and to reflect increasing demands on Non-Executive Directors; and
- (c) the Fee Cap amount will enable the Company to increase the number of Non-Executive Directors, if the Board considers it appropriate to do so, as part of the process of achieving a broad range of skills, experience and expertise on the Board which are complementary to the Company's business activities.

Whilst the Directors do not currently intend to fully utilise the maximum Fee Cap, the Directors consider that the Fee Cap amount is reasonable and appropriate for the reasons outlined above.

The Company will continue to set the actual level of remuneration of its Non-Executive Directors within the Shareholder-approved Fee Cap, after having regard to independent external advice, market practice, Board performance and other appropriate factors.

Disclosure of Non-Executive Directors' remuneration will continue to be made to Shareholders in each annual remuneration report in accordance with the Corporations Act, the Company's Constitution and the ASX Listing Rules.

In accordance with ASX Listing Rules 10.17, Shareholders are advised that:

- (a) no shares or other securities in the Company have been issued by the Company to Non-Executive Directors under ASX Listing Rule 10.11 (Approval required for an issue of securities) in the preceding three years; and
- (b) no shares or other securities in the Company have been acquired by Non-Executive Directors under ASX Listing Rule 10.14 (Approval required to acquire securities under an employee incentive scheme) in the preceding three years.

### **Board Recommendation**

As Resolution 8 involves the payment of fees to Directors, the Directors make no recommendations to Shareholders in relation to this resolution.

## **RESOLUTION 9**

### **Approval of issue of securities**

The Company is party to a Research Collaboration and Equipment Loan Agreement with The University of Texas MD Anderson Cancer Center (**MD Anderson**), under which the Company is required to make in-kind and cash contributions towards the research activities conducted by MD Anderson under the agreement.

Under the agreement, the Company is required to pay to MD Anderson fees totalling US\$648,590 (A\$842,324, based on an agreed foreign exchange conversion rate of A\$0.77: US\$1.00) with respect to the period from 1 October 2017 to 31 June 2018 (**Fees**). MD Anderson has agreed to convert the Fees into 10,529,053 ordinary shares in the Company, at a conversion price of A\$0.08 per share (**MD Anderson Shares**).

ASX Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 9 will be to allow the Company to issue the MD Anderson Shares during the period of 3 months after the Annual General Meeting without using the Company's 15% % placement capacity under ASX Listing Rule 7.1 Shareholder.

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

|  |  |
|--|--|
| <b>Maximum number of shares to be issued</b> | 10,529,053   |
| <b>Date of issue</b>                         | If Shareholder approval is obtained for Resolution 9, the Company will issue the MD Anderson Shares as soon as is practicable after the Meeting, or in any event no later than 3 months after the date of the Meeting.   |
| <b>Issue price per share</b>                 | Nil cash consideration; deemed issue price of \$0.08 per Share   |
| <b>Recipient of issue</b>                    | The University of Texas MD Anderson Cancer Center (or its nominees)  |
| <b>Terms of shares</b>                       | Fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.   |
| <b>Use of funds</b>                          | No funds will be raised from the issue of the MD Anderson Shares. However, the Company's liability to pay MD Anderson the Fees (A\$842,324) under the Research Collaboration and Equipment Loan Agreement will be satisfied by the issue of the MD Anderson Shares, thus preserving the Company's cash to that extent. |

#### **Voting Exclusion**

A voting exclusion statement applies to Resolution 9, as set out in the Notice.

#### **Board Recommendation**

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 9.

#### **RESOLUTION 10**

##### **Approval of Issue of Options**

In November 2017, the Company entered into a mandate letter (**Mandate**) with Pamplona Corporate Pty Ltd (**Pamplona**), pursuant to which the Company engaged Pamplona to provide equity and advisory services related to the Company's share capital and ASX listing. The compensation payable to Pamplona included the issue of 3,000,000 unlisted Options.

ASX Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 10 will be to allow the Company to issue the 3,000,000 unlisted Options to Pamplona during the period of 3 months after the Annual General Meeting without using the Company's 15% % placement capacity under ASX Listing Rule 7.1.

In compliance with the information requirements of Listing Rule 7.3. Shareholders are advised of the following information:

|  |  |
|--|--|
| <b>Maximum number of securities to be issued</b> | 3,000,000 unlisted Options.  |
| <b>Date of issue</b>                             | If Shareholder approval is obtained for Resolution 10, the Company will issue the Options to Pamplona as soon as is practicable after the Meeting, or in any event no later than 3 months after the date of the Meeting.   |
| <b>Issue price of the securities</b>             | The unlisted Options will be issued for nil consideration.   |
| <b>Recipient of issue</b>                        | Pamplona Corporate Pty Ltd (or its nominee), who is not a related party of the Company.  |
| <b>Terms of the securities</b>                   | The unlisted Options will have an exercise price of \$0.20 per Option and an expiry date of 20 June 2021. Further details on the terms of the Options are set out in Annexure B.   |
| <b>Use of the funds raised</b>                   | The unlisted Options are being issued as part consideration for advisory services provided under the Mandate, and accordingly no funds will be raised from the issue of the Options. To the extent that any Options are exercised, the funds raised upon exercise of the Options will be applied towards the Company's general working capital requirements. |

#### **Board Recommendation**

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 10.

#### **RESOLUTION 11**

##### **Approval of Incentive Option Plan (ISO)**

Shareholder approval is sought for the Company's Incentive Option Plan (**ISO**) for the purposes of the Listing Rules and the Corporations Act.

#### **ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of Shareholders, if the number of Equity Securities to be issued in any 12 month period (including shares issued on the exercise of any Options) exceeds 15% of the issued capital of the company preceding the issue.

ASX Listing Rule 7.2 contains a number of exceptions to the prohibition contained in ASX Listing Rule 7.1. In particular, under Exception 9 in Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within three years of the date on which Shareholders approve the issue of those equity securities are not counted for the purposes of ASX Listing Rule 7.1. Resolution 11 is designed to satisfy the requirements of ASX Listing Rule 7.2.

#### **Corporations Act**

Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.

Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.

Accordingly, Shareholder approval is sought under Resolution 11 to ensure compliance with these sections of the Corporations Act.

### **Purpose of ISO**

The purpose of the ISO is to provide incentives to employees of the Company who are integral to the operations and ongoing success of the Company. A summary of the ISO is provided below. These incentives are designed to encourage greater productivity from eligible participants and to better enable the Company to focus on its longer term goals.

The Company has two employee incentive schemes in operation: the ISO the subject of this Resolution and the Company's LTIP which was established at the time when the Company was listed on the ASX in 2017 (and which was summarised in the Company's replacement prospectus dated 30 May 2017).

Should this Resolution be passed, the Company will have the necessary flexibility to issue securities as an incentive to its employees, and the issue of securities under the ISO will not deplete the Company's placement capacity pursuant to ASX Listing Rule 7.1.

### **Details of ISO**

#### **General**

The ISO is intended to retain and motivate the Company's employees.

Under the ISO, the Board has the discretion to offer shares or grant options or performance rights to eligible employees (which includes Directors) of the Company or a related body corporate.

Both options and performance rights give a participant in the ISO a right to acquire shares in the Company subject to the achievement of time based and/or performance based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.

The Board has the discretion to amend the rules of the ISO (including in respect of previous awards of shares, options or performance rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or where agreed by the participant.

Awards under the ISO are made at the Board's discretion.

#### **Eligibility**

The rules allow for offers under the ISO to be made to any employee of the Company or a related body corporate, including Directors, or such other person as the Board determines.

#### **Issue of shares and grant of options and performance rights**

Shares, options and performance rights may be issued under the ISO subject to vesting conditions, including time and performance based hurdles.

The Board determines the details of the vesting conditions attaching to shares, options and performance rights under the ISO prior to offers of participation being made. Shares, options or performance rights will only vest (under normal circumstances) upon satisfaction of the time and performance based vesting conditions. If those conditions are not met, shares will be bought back or the options or performance rights will generally expire and not be capable of exercise.

No amount is payable on the grant of options or performance rights offered under the ISO.

#### **Delivery of shares**

Shares in the Company will be delivered to participants upon exercise of vested options or performance rights. On exercise, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

#### **Change of control**

On a change of control of the Company, the Board has discretion to waive the vesting conditions applicable to unvested options and performance rights, subject to such terms and conditions as it determines.

**Plan limits**

Issues of shares including on exercise of options or performance rights granted under the ISO will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

**Expiry of options and performance rights**

Unless otherwise determined by the Board in its discretion, options and performance rights which have not been exercised will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the options or performance rights are to be forfeited.

**Restrictions on shares and forfeiture conditions**

Shares, options and performance rights, and shares delivered on exercise, may be subject to forfeiture (subject to lifting at the discretion of the Board) if a participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate. In addition, the Board can decide, on the offer of shares or the grant of options or performance rights under the ISO the circumstances under which the shares, options or performance rights are to be forfeited in additional circumstances, such as the termination or cessation of employment.

Shares delivered on exercise of options or performance rights may be subject to disposal restrictions (subject to removal at the discretion of the Board).

**Hedging economic exposure prohibited**

Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the ISO prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the ISO.

**Securities issued under the ISO**

As at the date of this Notice, no securities have been issued under the ISO.

**Voting Exclusion**

A voting exclusion statement applies to this item of business, as set out in the Notice.

**Board Recommendation**

As the Directors are eligible to participate in the ISO, the Directors do not wish to provide any recommendations to Shareholders in relation to this resolution.

**RESOLUTION 12 to RESOLUTION 16**

**Approval of issue of Performance Rights to Non-Executive Directors**

The Company seeks Shareholder approval for the issue of Performance Rights, each to acquire 1 Share, to the following directors of the Company or their nominees pursuant to the Company’s Long Term Incentive Plan (LTIP).

|                  |         |
|------------------|---------|
| Bronwyn Le Grice | 150,000 |
| Jovanka Naumoska | 50,000  |
| Mark Van Asten   | 50,000  |
| David Ludvigson  | 50,000  |
| Michael Harsh    | 50,000  |

The Company is required by ASX Listing Rule 10.14 to obtain Shareholder approval to grant securities, including Performance Rights to each of the directors. In accordance with the ASX Listing Rules, Shareholders are being asked under Resolutions 12-16 to approve the grant of the Performance Rights to each of the directors listed above under the LTIP, and the underlying Shares issued upon vesting of the Performance Rights.



Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where Shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. This means that, if Shareholder approval is obtained for Resolutions 12-16, approval is not required for the purposes of ASX Listing Rule 7.1.

As noted above, for the purposes of Chapter 2E, each of the directors listed above is a related party of the Company, and the issue of Performance Rights to each of the directors constitutes the provision of a “financial benefit” by the Company to each of the directors.

The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders or where an exception applies. One exception to the general rule is where the benefit constitutes “reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company.

The Directors consider that the granting of the Performance Rights to each of the directors constitutes reasonable remuneration to them given both the Company’s circumstances and the responsibilities involved in each of the directors’ role on the board. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Board does not consider the Company is required to seek Shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give each of the directors the financial benefit that is inherent in the issue of the Performance Rights.

The Performance Rights will vest as follows:

- 150,000 Performance Rights issued to Bronwyn Le Grice will vest on 26 April 2020, being two years after the date of her appointment as Director.
- The Performance Rights issued to all other Non-Executive Directors will vest on the date that is two years after their date of issue.

The Performance Rights are not subject to any performance milestones.

Each Director will receive one Share in the Company for each vested Performance Right. No cash consideration will be payable for the issue of the Performance Rights, or on the issue of the underlying Shares upon the vesting of the Performance Rights.

Subject to the ASX Listing Rules, in circumstances of death or disability, any unvested Performance Rights will vest on a pro rata basis based on the proportion of the performance period which has elapsed as at the date of death or disability.

In the event of a change of control in relation to the Company, and subject to the terms of the LTIP, unvested Performance Rights will vest on the date of the change of control.

The Performance Rights issued will not be listed on ASX and will not be transferable, except as permitted under the LTIP.

All Directors are eligible to participate under the LTIP for the purposes of ASX Listing Rule 10.14.

No securities have been previously issued under the LTIP since the Company was admitted to the official list of ASX.

No loans are proposed to be provided in relation to the acquisition of the Performance Rights.

Subject to Shareholder approval, the Performance Rights will be issued as soon as possible after the Meeting, or in any event, within 12 months from the date of the Meeting.

### **Voting Exclusion**

A voting exclusion statement applies to each of the Resolutions 12 - 16, as set out in the Notice.

### **Board Recommendation**

As the Directors are eligible to participate in the LTIP, they do not provide any recommendations to Shareholders in relation to Resolutions 12 – 16.

### **RESOLUTION 17**

#### **Approval of 10% Placement Facility**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**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 (refer below).

The Directors of the Company believe that Resolution 17 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **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. The classes of equity security of the Company at the date of the Notice are ordinary Shares, unlisted Options and unlisted performance 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;
- plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid Shares that became fully paid in the 12 months;
- 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;
- less the number of fully paid Shares cancelled in the 12 months.

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

D is 10%

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

**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.

At the date of this Notice, the Company has on issue 203,766,163 Shares.

**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 the relevant class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) 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:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) 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**).

**Listing Rule 7.1A**

The effect of Resolution 17 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 17 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**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 for the Equity Securities over the 15 Trading Days on which trades in the relevant 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.
- (b) If Resolution 17 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 table below. 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 Shareholders provide their approval at the Annual General Meeting; and
  - ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below 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:

- (a) 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 to all Shareholders) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' Meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable A in Listing Rule 7.1.A.2                 |                     | Dilution                             |                      |                                       |
|--|---------------------|--------------------------------------|----------------------|---------------------------------------|
|  |                     | 0.038<br>50% decrease in Issue Price | 0.076<br>Issue Price | 0.152<br>100% increase in Issue Price |
| Current Variable A<br>203,766,163                  | 10% Voting Dilution | 20,376,616                           | 20,376,616           | 20,376,616                            |
|  | Funds Raised        | \$774,311                            | \$1,548,623          | \$3,097,246                           |
| 50% increase in current Variable A<br>305,649,245  | 10% Voting Dilution | 30,564,924                           | 30,564,924           | 30,564,924                            |
|  | Funds Raised        | \$1,161,467                          | \$2,322,934          | \$4,645,869                           |
| 100% increase in current Variable A<br>407,532,326 | 10% Voting Dilution | 40,753,233                           | 40,753,233           | 40,753,233                            |
|  | Funds Raised        | \$1,548,623                          | \$3,097,246          | \$6,194,491                           |

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (b) None of the convertible securities that the Company has on issue are converted into Shares before the date of the issue of the Equity Securities.
- (c) 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%.
- (d) 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.
- (e) 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.
- (f) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (g) The issue price is \$0.076, being the closing price of the Shares on ASX on 23 April 2018.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement period. The approval under Resolution 17 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 the new business 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 intends to use the funds raised towards an acquisition of new business assets or investments (including expenses associated with such acquisition) and/or 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 will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing Shareholders can participate;
- ii. the effect the issue of the Equity Securities might have on the control of the Company;
  - i. the financial situation and solvency of the Company; and
  - ii. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If the Company were to acquire an asset or investment in exchange for Shares, it is likely that the allottee under the 10% Placement Facility would be the vendor of the asset or investment.

- (f) This is the first occasion on which Shareholder approval has been sought under Listing Rule 7.1A.

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.

#### **Board Recommendation**

The Directors unanimously recommend that the Shareholders vote in favour of Resolution 17.

## GLOSSARY

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"**Annual General Meeting**" means the meeting convened by the Notice of Meeting;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691);

"**ASX Listing Rules**" or "**Listing Rules**" means the Official Listing Rules of the ASX;

"**Board**" means the board of Directors of the Company;

"**Chairman**" means chairman of the annual general meeting;

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

- (a) A spouse or child of the member;
- (b) A child of the member's spouse;
- (c) A dependant of the member or the member's spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporation Regulations

"**Company**" or "**IBX**" means Imagion Biosystems Limited ACN 616 305 027;

"**Constitution**" means the Company's Constitution;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Corporations Regulations**" means the *Corporations Regulations 2001* (Cth)

"**Directors**" means the current Directors of the Company;

"**Equity Securities**" has the meaning given under the Listing Rules;

"**Explanatory Memorandum**" means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

"**Group**" means the Company and its controlled entities;

"**Key Management Personnel**" or "**KMP**" has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

"**LTIP**" means the Company's Long Term Incentive Plan which was established at the time of the Company's ASX listing in 2017, and which was summarised in the Company's replacement prospectus dated 30 May 2017.

"**Meeting**" or "**Annual General Meeting**" means the annual general meeting convened by this Notice;

"**Notice**" or "**Notice of Meeting**" means the notice convening the annual general meeting of the Company to be held on 31 May 2018 which accompanies this Explanatory Memorandum;

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

"**Pamplona Corporate Pty Ltd**" or "**Pamplona**" means Pamplona Corporate Pty Ltd ACN 607 483 992;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Remuneration Report**" means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 31 December 2017.

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

"**RSM**" means RSM Australia;

"**Share**" means a fully paid ordinary share in the capital of the Company; and

"**Shareholder**" means a registered holder of a Share.

**Annexure A**

16 April 2018

Ms Jovanka Naumoska  
Company Secretary  
Imagion Biosystems Limited  
Level 8, 555 Bourke Street  
Melbourne VIC 3000

Dear Ms Naumoska

**NOTICE OF NOMINATION OF AUDITOR**

I am a shareholder of Imagion Biosystems Limited ACN 616 305 027 (the **Company**), holding 235,000 ordinary fully paid shares in the Company.

I hereby give the Company notice under section 328B (1) of the *Corporations Act 2001* (Cth) of my nomination of RSM Australia Partners of Level 21, 55 Collins Street, Melbourne, Victoria 3000, for appointment as auditor of the Company at the First Annual General Meeting of the Company.

Yours sincerely



**Robert Proulx**

## ANNEXURE B

### TERMS AND CONDITIONS OF PAMPLONA OPTIONS

1. Each option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share (**Share**) in Imagination Biosystems Limited (the **Company**) at the exercise price of \$0.20 (**Option**).
2. The Options are exercisable from their date of issue up until 5.00pm (Melbourne time) 20 June 2021 (**Expiry Date**). Any Options not exercised on or before the Expiry Date will automatically lapse.
3. The Option Holder may at any time prior to the Expiry Date give an exercise notice to the Company requiring the Company to issue Shares on exercise of the Options, accompanied by payment of the exercise price for each Option exercised.
4. If any Options are validly exercised, the Company shall issue to the Option Holder one (1) fully paid share for each Option exercised within seven (7) days from the date of receipt by the Company of payment of the exercise price in cleared funds.
5. All Shares in the Company issued on the exercise of Options will rank equally in all respects with the existing class of fully paid ordinary shares in the Company at the time of issue.
6. Unless the Directors of the Company determine otherwise, Options shall not be assignable or transferable other than by operation of law.
7. The Company will not apply to the Australian Securities Exchange (**ASX**) for quotation of the Options.
8. If the Company's Shares are quoted on the ASX, the Company shall apply for quotation on the ASX of all Shares issued pursuant to the exercise of Options as soon as reasonably practicable after their issue, but in any case within the time limit prescribed by the listing rules of the ASX (**Listing Rules**).
9. Option Holders may only participate in a new issue (**Issue**) of securities to holders of Shares in the Company if the Options have been exercised and Shares are issued in respect of the Options before the record date for determining entitlements to the Issue.
10. The Company must give Option Holders notice of any Issue before the record date for determining entitlements to the Issue, in accordance with the notice periods required by Listing Rules.
11. There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
12. If there is a bonus issue (**Bonus Issue**) to the eligible holders of Shares in the Company, the number of shares over which the Options are exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
13. If prior to the Expiry Date, there is a re-organisation of the issued capital of the Company, the Options are to be treated in the manner set out in the Listing Rules.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:30pm (AEST) on Tuesday 29 May 2018.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/ibxagm2018>  
**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**  
**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

#### Appointment of a Second Proxy

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

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

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

#### STEP 3 SIGN THE FORM

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

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

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

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

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

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **by 1:30pm (AEST) on Tuesday 29 May 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

🖥 **Online** <https://www.votingonline.com.au/ibxagm2018>

📠 **By Fax** + 61 2 9290 9655

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

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

#### Attending the Meeting

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

**Your Address**

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

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

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

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

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Holding Redlich, Level 8, 555 Bourke Street, Melbourne, Victoria 3000 on Thursday 31 May 2018 at 1:30pm (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 8 and 11 – 16 (inclusive). I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 8 and 11 – 16 (inclusive) are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 8 and 11 – 16 (inclusive)). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

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

|              |  | FOR                      | AGAINST                  | ABSTAIN*                 |               |   | FOR                      | AGAINST                  | ABSTAIN*                 |
|--------------|--|--------------------------|--------------------------|--------------------------|---------------|---|--------------------------|--------------------------|--------------------------|
| <b>Res 1</b> | Adoption of Remuneration Report            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 10</b> | Approval of issue of Options                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 2</b> | Election of Director - David Ludvigson     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 11</b> | Approval of Incentive Option Plan (ISO)                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 3</b> | Election of Director - Michael Harsh       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 12</b> | Approval of issue of Performance Rights to Bronwyn Le Grice | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 4</b> | Election of Director - Bronwyn Le Grice    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 13</b> | Approval of issue of Performance Rights to Jovanka Naumoska | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 5</b> | Re-Election of Director - Mark Van Asten   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 14</b> | Approval of issue of Performance Rights to Mark Van Asten   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 6</b> | Re-Election of Director - Jovanka Naumoska | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 15</b> | Approval of issue of Performance Rights to David Ludvigson  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 7</b> | Appointment of Company Auditor             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 16</b> | Approval of issue of Performance Rights to Michael Harsh    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 8</b> | Non-Executive Directors Fee Pool           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <b>Res 17</b> | Approval of 10% Placement Facility                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Res 9</b> | Approval of issue of securities            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |               |   |                          |                          |                          |

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole  
Company Secretary

Director

Director / Company Secretary