



ABN 29 125 167 133

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting - 14 October 2021

Time of Meeting - 11:00am (AWST)

Place of Meeting - ANZAC House, 28 St Georges Terrace, Perth, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Nuheara Limited

ABN 29 125 167 133

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Nuheara Limited (ABN 29 125 167 133) will be held at ANZAC House, 28 St Georges Terrace, Perth, Western Australia on 14 October 2021 at 11:00am (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

Circumstances relating to COVID-19 are changing rapidly. The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.nuheara.com.

Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at investor-relations@nuheara.com by 5.00pm (AWST) on Tuesday 12 October 2021. Shareholders who physically attend the Meeting will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 6555 9999 if they have any queries in relation to the Meeting arrangements.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2021, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2021 as set out in the 2021 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

2 Resolution 2 – Re-election of Mr David Buckingham as a Director

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

"That, Mr David Buckingham, who retires in accordance with clauses 14.2 and 14.3 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3 Resolution 3 – Re-election of Mrs Kathryn Giudes (Foster) as a Director

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

"That, Mrs Kathryn Giudes (formerly Foster), who retires in accordance with clauses 14.2 and 14.3 of the Constitution and, being eligible for re-election, be re-elected as a Director."

4 Resolution 4 – Ratification of issue of Shares (Listing Rule 7.1)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 146,107,184 Shares (at an issue price of \$0.04 each) on 7 January 2021 to sophisticated and institutional investors qualifying under s 708 of the Corporations Act 2001 (Cth) on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

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

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

5 Resolution 5 – Ratification of issue of Shares (Listing Rule 7.1A)

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 141,392,816 Shares (at an issue price of \$0.04 each) on 7 January 2021 to sophisticated and institutional investors qualifying under s 708 of the Corporations Act 2001 (Cth) on the terms and conditions set out in the Explanatory Memorandum."

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of those persons.

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

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

6 Resolution 6 – Approval of Additional 10% Placement Capacity

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

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

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

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an Associate of those persons.

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

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

7 Resolution 7 – Amendment to Constitution to adopt proportional takeover provisions

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

"That, for the purposes of section 648G of the Corporations Act 2001 (Cth) and for all other purposes, the Constitution of the Company be amended, with immediate effect, in the manner outlined in the Explanatory Memorandum to this Notice of Meeting and set out in clause 36 of the Company's Constitution, to include a requirement for Shareholder approval of any proportional takeover bids, as permitted under the Corporations Act 2001 (Cth)."

8 Resolution 8 – Amendment to Constitution

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

"That, the Company's Constitution be amended as set out in Annexure B to the Explanatory Memorandum accompanying this Notice of Meeting."

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Susan Park
Company Secretary

Dated: 10 September 2021

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, or a copy or facsimile which appears on its face to be an authentic copy of that Power of Attorney must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting original form of appointment, a certified copy of the appointment or a certificate of the body corporate evidencing the appointment.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 in accordance with

a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 11:00am (AWST time) on 12 October 2021. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

Online	At www.investorvote.com.au
By mail	Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC 30091
By fax	1800 783 447 within Australia or +61 3 9473 2555 outside Australia
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11:00am (AWST time) on 12 October 2021. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, 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 4:00pm (AWST time) on 12 October 2021.

Nuheara Limited

ABN 29 125 167 133

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2021, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

2 RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2021 Annual Report be adopted. The Remuneration Report is set out in the Company's 2021 Annual Report and is also available on the Company's website (www.nuheara.com).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors

who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2020 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 27 November 2020. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

2.1 Voting

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

3 RESOLUTION 2 – RE-ELECTION OF MR DAVID BUCKINGHAM AS A DIRECTOR

Pursuant to clauses 14.2 and 14.3 of the Company's Constitution, Mr David Buckingham, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

3.1 Qualifications

Mr David Buckingham *Engineering Science BTech (Hons), ACA ICAEW, GAICD*
Independent Non-executive Director

Mr Buckingham is an experienced corporate professional with over twenty-five years of experience across the rapidly growing and changing sectors of communications, media, technology and education.

Mr Buckingham has a diverse career which spans extensively across technology, growth, mergers and acquisitions and disrupting entrenched industries by focusing on technology, service and the customer experience. His career began in the United Kingdom with PricewaterhouseCoopers and he later moved into the telecommunications industry to which he devoted much of his career. He has worked for Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia, as Finance Director Business Division and iiNet where he held the roles of Chief Financial Officer and Chief Executive Officer between 2008 and 2015. In early 2016 he joined the ASX listed education provider Navitas Limited as Chief Financial Officer. He subsequently became the Chief Executive Officer in 2017 until Navitas was acquired by a private equity group in July 2019.

Mr Buckingham holds a Bachelor of Engineering Science BTech (Hons), is a Chartered Accountant and a graduate member of the Australian Institute of Company Directors (AICD).

Mr Buckingham is also the Chair of the Audit and Risk Committee.

3.2 Other material directorships

Currently, Mr David Buckingham is also a non-executive director of OpenLearning Limited (ASX:OLL) and Hiremii Limited (ASX:HMI), and non-executive chairman of Pentanet Limited (ASX:5GG).

3.3 Independence

Mr David Buckingham was appointed to the Board on 1 November 2019.

Mr David Buckingham has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

The Board considers that Mr David Buckingham, if re-elected, will continue to be classified as an independent director.

3.4 Board recommendation

The Directors consider Mr Buckingham's relevant experience and qualifications, in particular Mr Buckingham's commercial, financial and leadership experience, will assist the Company in achieving its strategic objectives as it continues to broaden its geographical reach and diversify revenue streams for new opportunities to maximise the return on investment in technology.

The members of the Board, in the absence of Mr David Buckingham, support the re-election of Mr David Buckingham as a director of the Company.

4 RESOLUTION 3 – RE-ELECTION OF MRS KATHRYN GIUDES (FOSTER) AS A DIRECTOR

Pursuant to clauses 14.2 and 14.3 of the Company's Constitution, Mrs Kathryn Giudes (formerly Foster), being a Director, retires by way of rotation and, being eligible, offers herself for re-election as a Director.

4.1 Qualifications

Mrs Kathryn Giudes (formerly Foster) BSc, ASc, MAICD
Independent Non-Executive Director

Mrs Giudes has a strong background in technology, sales and early stage start-up companies. She has more than two decades of experience designing, building and running large internet-based businesses. Prior to becoming a professional Non-executive Director, Mrs Giudes was Executive Senior Director of Xbox Games Marketplace as well as Microsoft Store online where she managed the profit and loss and global expansion in over 200 geographies with annual revenue budgets in the low billions of dollars. She has extensive technical and commercial experience in software and hardware solutions and advises companies on strategy and technology. Mrs Giudes is the Managing Director of macroDATA Digital Solutions Pty Ltd, trading as macroDATA Datacentres.

Since moving to Australia, Ms. Giudes first joined Nuheara Ltd in February 2018 and is the Chair of the Remuneration and Nomination Committee. Mrs Giudes is also a Non-executive Director for other listed and unlisted companies in Australia.

4.2 Other material directorships

Currently, Mrs Kathryn Giudes is also a non-executive director of Class Limited (ASX:CL1) and Livehire Limited (ASX:LVH).

4.3 Independence

Mrs Kathryn Giudes was appointed to the Board on 12 February 2018.

Mrs Kathryn Giudes has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent

judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

The Board considers that Mrs Kathryn Giudes, if re-elected, will continue to be classified as an independent director.

4.4 Board recommendation

The Directors consider Mrs Giudes' relevant skills and qualifications, in particular Mrs Giudes' extensive experience in the technology market, will assist the Company in achieving its strategic objectives as it continues to broaden its geographical reach and diversify revenue streams for new opportunities to maximise the return on investment in technology.

The members of the Board, in the absence of Mrs Kathryn Giudes, support the re-election of Mrs Kathryn Giudes as a director of the Company.

5 BACKGROUND – RESOLUTIONS 4 AND 5 RATIFICATION OF ISSUE OF SHARES (LISTING RULE 7.1 AND 7.1A)

As announced on 29 December 2020, the Company undertook a placement of 287,500,000 Shares at an issue price of \$0.04 per Share, which Shares were issued on 7 January 2021, using the Company's capacity under Listing Rules 7.1 and 7.1A as follows:

- (a) 146,107,184 Shares were issued utilising the Company's Listing Rule 7.1 placement capacity (**LR7.1 Placement**); and
- (b) 141,392,816 Shares were issued utilising the Company's Listing Rule 7.1A placement capacity (**LR7.1A Placement**).

The funds raised under the LR7.1 Placement and LR7.1A Placement have been principally used for the acceleration of Direct to Consumer sales and activities, as well as supporting credit terms for the Company's manufacturing and production costs associated with the HP supply agreement. On the success of the placement, the Company also issued a buy-back notice to The Lind Partners for the remaining convertible note balance of \$850,000. As such, following the completion of the placement and security conversion, the Company is debt-free, placing the Company in a very strong position to continue driving its Direct to Consumer sales growth and to support its expanding PEM partnerships, which now includes HP Inc.

6 RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES (LISTING RULE 7.1)

As noted in section 5 above, on 7 January 2021 the Company issued 146,107,184 Shares at an issue price of \$0.04 per Share to raise \$5,844,287.36 (before costs).

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

The LR7.1 Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company issued Shares pursuant to the LR7.1 Placement.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to the LR7.1 Placement under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares pursuant to the LR7.1 Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued Shares pursuant to the LR7.1 Placement. In addition, subject to Shareholders approval of Resolution 6, the Shares pursuant to the LR7.1 Placement will not be included in calculating the Company's 10% capacity in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

If this Resolution is not passed, the Shares pursuant to the LR7.1 Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued Shares pursuant to the LR7.1 Placement. In addition, subject to Shareholders approval of Resolution 6, the Shares pursuant to the LR7.1 Placement will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

The following information in relation to the Shares the subject of the LR7.1 Placement is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Shares were issued to sophisticated and institutional investors and other investors qualifying under s 708 of the Corporations Act 2001 (Cth), all of whom are unrelated parties of the Company. The placees were selected following a bookbuild process by Canaccord Genuity (Australia) Limited, the Company's lead manager in relation to the LR7.1 Placement. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties were issued more than 1% of the issued capital of the Company under the Placement;
- (b) 146,107,184 Shares were issued pursuant to the LR7.1 Placement;
- (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 were issued on 7 January 2021;
- (e) The Shares were issued at an issue price of \$0.04 each;
- (f) The Shares were issued for the purposes set out in the Background to Resolutions 4 and 5 above;
- (g) A summary of the material terms of the LR7.1 Placement is set out in the Background to Resolutions 4 and 5 above; and
- (h) A voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

7 RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES (LISTING RULE 7.1A)

As noted above, on 7 January 2021 the Company issued 141,392,816 Shares at an issue price of \$0.04 per Share to raise \$5,655,712.64 (before costs).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month

period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. Shareholders approved this additional capacity at the Company's last annual general meeting held on 27 November 2020.

The LR7.1A Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the period ending on the earliest of:

- the date that is 12 months after the last annual general meeting at which the Listing Rule 7.1A Mandate was approved;
- the time and date of the next annual general meeting; and
- the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking),

(Listing Rule 7.1A Mandate Expiry Date)

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1A and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to the LR7.1A Placement under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares pursuant to the LR7.1A Placement will be excluded in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval:

- under Listing Rule 7.1 for the 12 month period following the date the Company issued Shares pursuant to the LR7.1A Placement; and
- under Listing Rule 7.1A for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

If this Resolution is not passed, the Shares pursuant to the LR7.1A Placement will be included in calculating the Company's 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under Listing Rules 7.1 and 7.1A for the periods noted immediately above.

The following information in relation to the Shares the subject of the LR7.1A Placement is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Shares were issued to sophisticated and institutional investors and other investors qualifying under s 708 of the Corporations Act 2001 (Cth), all of whom are unrelated parties of the Company. The placees were selected following a bookbuild process by Canaccord Genuity (Australia) Limited, the Company's lead manager in relation to the LR7.1A Placement. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties were issued more than 1% of the issued capital of the Company under the Placement;

- (b) 141,392,816 Shares were issued pursuant to the LR7.1A Placement;
- (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 were issued on 7 January 2021;
- (e) The Shares were issued at an issue price of \$0.04 each;
- (f) The Shares were issued for the purposes set out in the Background to Resolutions 4 and 5 above;
- (g) A summary of the material terms of the LR7.1A Placement is set out in the Background to Resolutions 4 and 5 above; and
- (h) A voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

8 RESOLUTION 6 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

8.1 Background

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$55 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 September 2021).

The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

8.2 The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

Based on the number of Shares on issue at the date of this Notice, the Company will have 1,725,803,203 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 172,580,320 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities

permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

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

- A** is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (b) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
 - (c) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the Relevant Period; or
 - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
 - (d) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
 - (e) plus the number of partly paid Shares that become fully paid in the Relevant Period;
 - (f) less the number of fully paid Shares cancelled in the Relevant Period.

Note that 'A' is 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 Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

8.3 Specific information required by Listing Rule 7.3A

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Annual General Meeting and will expire on the earlier of:
 - (i) the date that is 12 months after the date of the Annual General Meeting;
 - (ii) the time and date of the Company's next Annual General Meeting; and

- (iii) the time and date on which the Company receives approval by Shareholders for 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) (**Approval Period**).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) the Shares are being issued to raise funds for working capital, growth of inventories and increased marketing and promotional costs associated with the Company's products;
- (d) if this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also 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 the Listing Rule 7.1A Mandate was approved; 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; or

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		Dilution		
		\$0.0155 Issue Price at half the current market price	\$0.031 Issue Price at current market price	\$0.062 Issue Price at double the current market price
Current Variable 'A' 1,725,803,203 Shares	Shares issued	172,580,320	172,580,320	172,580,320
	Funds raised	\$2,674,995	\$5,349,990	\$10,699,980
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 2,588,704,804 Shares	Shares issued	258,870,480	258,870,480	258,870,480
	Funds raised	\$4,012,492	\$8,024,985	\$16,049,970
	Dilution	10%	10%	10%
100% increase in current variable 'A' 3,451,606,406 Shares	Shares issued	345,160,641	345,160,641	345,160,641
	Funds raised	\$5,349,990	\$10,699,980	\$21,399,960
	Dilution	10%	10%	10%

Note: This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.

- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 and that the Shares issued pursuant to Listing Rule 7.1 and Listing Rule 7.1A the subject to Resolutions 4 and 5 respectively are approved by Shareholders under Listing Rule 7.4.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

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.

- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the purpose of the issue;
 - (ii) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
 - (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iv) the financial situation and solvency of the Company; and
 - (v) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (f) The Company has previously issued or agreed to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting. A total of 141,392,816 Equity Securities were issued or agreed to be issued, which represents 10.2% of the total number of Equity Securities on issue at the commencement of that 12 month period.
- (g) The details of each of issue or agreement to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting are set out above in the Background to Resolutions 4 and 5.

8.4 Equity Securities issued or agreed to be issued by the Company under Listing Rule 7.1A2 during the 12 months preceding the Annual General Meeting

Date of issue	Type of Equity Securities	Number issued	Summary of Terms of Equity Securities	Recipient of Equity Securities (or basis on which they were identified or selected)	Issue Price and discount to closing market price on date of issue	Total cash consideration received, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any)
7 January 2021	Shares	141,392,816	See above in Background to Resolutions 4 and 5	See above information provided for the purposes of Listing Rule 7.5 under Resolution 5	Issue price of \$0.04, was a 13% discount to the closing price on 7 January 2021 of \$0.046	\$5,655,712.64; see also Background to Resolutions 4 and 5 above

9 RESOLUTION 7 – AMENDMENT TO CONSTITUTION TO ADOPT PROPORTIONAL TAKEOVER PROVISIONS

9.1 Background

The Corporations Act permits a company to include in its constitution provisions (called **takeover approval provisions**) requiring that a proportional or partial takeover offer (ie an offer for less than 100% of the shares but for the same proportion of each shareholder's shares) be approved by a majority of shareholders, before it may proceed. In effect, the approval of Resolution 7 will enable the Company to refuse to register shares acquired under a proportional takeover bid unless than bid is approved by a majority of shareholders.

Clause 36 of the Company's Constitution currently contains provisions dealing with proportional takeover bids. These provisions have ceased to have effect as the third anniversary has passed since the date of adoption at the Company's annual general meeting on 10 November 2017.

Clause 36 is also set out in Annexure A to this Explanatory Memorandum.

9.2 Section 648G of the Corporations Act

The following information is provided pursuant to section 648G of the Corporations Act.

(a) Operation of the proportional takeover provisions

By re-inserting the proposed proportional takeover provisions into the Company's Constitution as set out in clause 36 of the Company's Constitution, the registration of a transfer of Shares acquired under a proportional takeover offer will be prohibited unless an approving resolution is passed by Shareholders in the Company in the manner provided in the proposed proportional takeover provisions.

The proportional takeover provisions do not apply to a full takeover bid for all of the Shares of the Company.

If the proposed proportional takeover provisions are adopted and a proportional takeover offer is subsequently made for Shares in the Company, the Directors must seek Shareholder approval by a majority vote to register transfers under the proportional takeover bid (**approving resolution**). The Shareholder approval can be obtained at a general meeting of Shareholders.

In either case, those Shareholders who are entitled to vote at the general meeting are the Shareholders (other than the bidder and its associates) who are recorded on the register of members at the end of the day on which the first of the takeover offers under the proportional takeover bid is made.

The approving resolution must be voted on at least 14 days before the last day of the offer period under the proportional takeover bid. The approving resolution will be passed if more than 50 percent of eligible votes are cast in favour of the approval. If no such approving resolution has been voted on at least 14 days before the last day of the bid period then a resolution to approve the registration of transfers under the bid is taken to have been passed.

If the approving resolution is not passed by a majority of the shares voted, then the offer will be deemed to be withdrawn and registration of any transfer of shares resulting from the offer will be prohibited. Acceptances will be returned and any contracts formed by acceptance will be rescinded. If the approving resolution is approved, transfers of shares to the bidder will be registered provided they comply with the other provisions of the Constitution.

The proposed proportional takeover provisions will expire three years after the date of its adoption, unless renewed by Shareholders by special resolution.

(b) Current acquisition proposals

As at the day on which this Notice and Explanatory Memorandum is prepared, none of the Directors of the Company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

(c) Advantages of proportional takeover provisions to Shareholders

Potential advantages to Shareholders of the inclusion of proportional takeover provisions in the Company's Constitution are set out below:

- (i) The takeover approval provisions may enable Shareholders to act together and so avoid the coercion of Shareholders that might otherwise arise where they believe a partial offer is inadequate, but nevertheless accept through concern that a significant number of other Shareholders will accept.
- (ii) The takeover approval provisions may provide Shareholders with protection against being coerced into accepting a partial bid at a high premium where the bidder indicates its intention to mount a subsequent bid for the remaining shares at a much reduced price. This puts pressure on Shareholders to accept the initial bid in order to maximise their returns.
- (iii) If a partial bid is made, the takeover approval provisions may make it more probable that a bidder will set its offer price at a level that will be attractive to at least a majority of Shareholders.
- (iv) The body of Shareholders may more effectively advise and guide the Directors' response to a partial bid, and knowing the view of the majority of Shareholders may assist

individual Shareholders to assess the likely outcome of the proportional bid and decide whether or not to accept an offer under the bid.

- (v) The takeover approval provisions may make it more probable that any takeover offer will be a full bid for the whole shareholding of each Shareholder, so that Shareholders may have the opportunity of disposing of all their Shares rather than only a proportion.

(d) Disadvantages of the proportional takeover provisions to Shareholders

Potential disadvantages to Shareholders of the inclusion of proportional takeover provisions in the Company's Constitution are set out below:

- (i) By placing obstacles in the way of partial offers, the proposal may tend to discourage partial offers, thus reducing the opportunity for Shareholders to sell a portion of their holding.
- (ii) It is possible that the existence of the takeover approval provisions might have an adverse effect on the market value of the Company's Shares by making a partial offer less likely thus reducing any takeover speculation element in the Share price.
- (iii) An individual Shareholder who wishes to accept a proportional offer will be unable to sell to the bidder unless a majority of Shareholders favour the proportional takeover scheme (which may be viewed as an additional restriction on the ability of individual Shareholders to deal freely in their Shares).
- (iv) If a proportional takeover offer is made, the Company will incur the cost of calling a meeting of Shareholders.

(e) Advantages and disadvantages of the proportional takeover provisions for the Directors

Potential advantages and disadvantages to the Directors of the inclusion of proportional takeover provisions in the Company's Constitution are set out below:

- (i) If the Directors consider that a proportional bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company as the bidder will need a majority of votes to be cast in its favour by the independent Shareholders, before the bidder can succeed.
- (ii) On the other hand, under the takeover approval provisions, if a proportional takeover offer is received, the Directors must call a meeting to seek the Shareholders' views. They must do so even if the Directors believe that the offer should be accepted.
- (iii) At present, it is only the Directors who express any formal view on the adequacy or otherwise of a takeover bid, on behalf of the Company. Under the takeover approval provisions the most effective view on a proportional bid will become the view expressed by the vote of the Shareholders themselves, at the meeting.
- (iv) The takeover approval provisions may make it easier for the Directors to discharge their fiduciary and statutory duties as directors in the event of a proportional takeover bid.

(f) Reasons for proposing the Resolution

Having considered the advantages and disadvantages to Shareholders and the Directors, the Directors have decided to put this Resolution to Shareholders, to give Shareholders an opportunity to take advantage of the protections which the takeover approval provisions offer, if a proportional takeover offer is made.

9.3 Right to set aside renewal

If Resolution 7 is passed, then within 21 days after the meeting, the holders of at least 10% of the Company's Shares have the right to apply to the court to have the renewal set aside. The court may set aside the renewal if the court is satisfied in all the circumstances that it is appropriate to do so.

Unless and until an application made to the court is finally determined by the making of an order setting aside the renewal, the Company is taken for all purposes to have validly renewed the proportional takeover provisions.

9.4 Directors' recommendation

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that the proportional takeover provisions in the Constitution are in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

10 RESOLUTION 8 – AMENDMENT TO CONSTITUTION

Resolution 8 seeks Shareholder approval for amendments to the Company's Constitution as the Company intends to amend its Constitution to comply with the changes to ASX Listing Rule 15.12 which came into effect on 1 December 2019. The changes require a company with Restricted Securities on issue (including Restricted Securities issued pursuant to transactions which attract the application of Listing Rules 10.7 or 11.1.3), to provide for the following in its constitution:

- a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;
- if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Restricted Securities;
- the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;
- a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and
- if a holder of Restricted Securities breaches a Restriction Deed or a provision of the Company's Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

Under section 136 of the Corporations Act, Shareholders must pass a special resolution to amend a Constitution. Accordingly, Resolution 8 is a special resolution, requiring approval of 75% of the votes cast by Shareholders entitled to vote on the resolution in order to be passed.

At the date of this Notice, the Company does not have any Restricted Securities on issue. However, the Company seeks Shareholder approval to amend its Constitution to align with the proposed changes to Listing Rule 15.12, which will apply at such time as the Company considers issuing Restricted Securities.

The full text of the amendments is set out in Annexure B to this Explanatory Memorandum.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Annual Report means the annual report of the Company for the year ended 30 June 2021.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2021.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Nuheara Limited ABN 29 125 167 133.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Dispose has the meaning given to that term in the Listing Rules and **Disposal** has a corresponding meaning.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rule 7.1A Mandate has the meaning set out on page 14.

Listing Rules means the ASX Listing Rules.

LR7.1 Placement has the meaning set out on page 11.

LR7.1A Placement has the meaning set out on page 11.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Relevant Period has the meaning set out on page 14.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2021.

Resolution means a resolution contained in the Notice.

Restricted Securities has the meaning given to that term in the Listing Rules.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Restriction Deed has the meaning given to that term in the Listing Rules.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 8.

Spill Resolution has the meaning set out on page 8.

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

ANNEXURE A – ADOPTION OF PROPORTIONAL TAKEOVER PROVISIONS

36 PARTIAL TAKEOVER PLEBISCITES

36.1 Resolution to Approve Proportional Off-Market Bid

- (a) Where offers have been made under a proportional off-market bid in respect of a class of securities of the Company ("**bid class securities**"), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless and until a resolution (in this clause 36 referred to as a "**prescribed resolution**") to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.
- (b) A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.
- (c) A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.
- (d) A prescribed resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

36.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 36.2 as if the last mentioned meeting was a general meeting of the Company.
- (b) Where takeover offers have been made under a proportional off-market bid, the Directors are to ensure that a prescribed resolution to approve the proportional off-market bid is voted on in accordance with this clause 36 before the 14th day before the last day of the bid period for the proportional off-market bid (the "**resolution deadline**").

36.3 Notice of Prescribed Resolution

Where a prescribed resolution to approve a proportional off-market bid is voted on in accordance with this clause 36 before the resolution deadline, the Company is, on or before the resolution deadline:

- (a) to give the bidder; and
- (b) if the Company is listed – each relevant financial market (as defined in the Corporations Act) in relation to the Company;

a notice in writing stating that a prescribed resolution to approve the proportional off-market bid has been voted on and that the prescribed resolution has been passed, or has been rejected, as the case requires.

36.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the resolution deadline, no prescribed resolution to approve the proportional off-market bid has been voted on in accordance with this clause 36, a resolution to approve the proportional off-market bid is to be, for the purposes of this clause 36, deemed to have been passed in accordance with this clause 36.

36.5 Takeover Resolution Rejected

Where a prescribed resolution to approve a proportional off-market bid under which offers have been made is voted on in accordance with this clause 36 before the resolution deadline, and is rejected, then:

- (a) despite section 652A of the Corporations Act:

- (i) all offers under the proportional off-market bid that have not been accepted as at the end of the resolution deadline; and
- (ii) all offers under the proportional off-market bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the resolution deadline,

are deemed to be withdrawn at the end of the resolution deadline;

- (b) as soon as practicable after the resolution deadline, the bidder must return to each person who has accepted any of the offers referred to in clause 36.5(a)(ii) any documents that were sent by the person to the bidder with the acceptance of the offer;
- (c) the bidder:
 - (i) is entitled to rescind; and
 - (ii) must rescind as soon as practicable after the resolution deadline,each binding takeover contract resulting from the acceptance of an offer made under the proportional off-market bid; and
- (d) a person who has accepted an offer made under the proportional off-market bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

36.6 Renewal

This clause 36 ceases to have effect on the third anniversary of the date of the adoption of the last renewal of this clause 36.

ANNEXURE B – AMENDMENT TO CONSTITUTION – RESTRICTED SECURITIES

Resolution 8 seeks Shareholder approval to adopt the amendment to the Company's Constitution set out below.

1 Amend clause 2.12, to read:

- (a) A holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (b) If the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Restricted Securities.
- (c) The Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (d) A holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX.
- (e) If a holder of Restricted Securities breaches a Restriction Deed or a provision of the Company's Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

2 Insert the following definitions in clause 1.1:

Dispose has the meaning given to that term in the Listing Rules and **Disposal** has a corresponding meaning.

Holding Lock has the meaning given to that term in the Listing Rules.

Restriction Deed has the meaning given to that term in the Listing Rules.

NUH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00 AM (AWST) on Tuesday, 12 October 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the 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 2001) does not have a Company Secretary, a 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Nuheara Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Nuheara Limited to be held at ANZAC House, 28 St Georges Terrace, Perth, Western Australia on Thursday, 14 October 2021 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr David Buckingham as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mrs Kathryn Giudes (Foster) as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Shares (Listing Rule 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Shares (Listing Rule 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Amendment to Constitution to adopt proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

NUH

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Computershare

