



OPTISCAN IMAGING LIMITED
ABN 81 077 771 987

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 26 November 2020

Time of Meeting:
11.00am (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held via an audio and video conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting please contact the Company by email to Jmouchacca@optiscan.com or by phone to +61 3 9538 3333. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of General Meeting.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

OPTISCAN IMAGING LIMITED

ABN 81 077 771 987

Registered office: 16 Miles Street, Mulgrave, Victoria, 3170

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Optiscan Imaging Limited (the “Company”) will be held virtually at 11.00am (AEDT) on Thursday, 26 November 2020 (“General Meeting” or “Meeting”).

IMPACTS OF COVID-19 ON THE MEETING

The health and safety of members, staff, officers and other stakeholders is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19, in particular in Victoria. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct the Meeting virtually via Zoom.

Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chair as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice (being 11am, 24 November 2020). Instructions for lodging proxies are included on your personalised proxy form.

Arrangements for attendance by Zoom, with the ability to ask questions, can be made by contacting the Company Secretary by email Jmouchacca@optiscan.com at least two business days before the meeting. Where applicable, arrangements may be made for direct voting at the meeting by shareholders, proxies, corporate representatives and holders of powers of attorney.

In addition, the Company is happy to accept and answer questions submitted at least two business days prior to the Meeting by email to Jmouchacca@optiscan.com. The Company reserves the right to not respond to any unreasonable and/or offensive questions at its discretion.

Because the conditions, potential restrictions and other requirements for meetings relating to COVID-19 are rapidly changing, if it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice of Annual General Meeting, the Company will announce the alternative arrangements to ASX. Shareholders are encouraged to check for announcements of the Company at the ASX website www2.asx.com.au, search code “OIL”.

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and auditors for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

“That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors’ report) for the financial year ended 30 June 2020 be adopted.”

Resolution 2: Re-election of Mr Darren Lurie as a Director of the Company

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

"That Mr Darren Lurie, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3A: Ratification of Prior Issue of Shares

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 29,466,500 fully paid ordinary shares in the Company at an issue price of \$0.0825 (8.25 cents) per Share to unrelated sophisticated and professional investors identified by the Company as described in the Explanatory Statement which accompanied and form part of the Notice."

Resolution 3B: Ratification of Prior Issue of Shares

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 89,485,000 fully paid ordinary shares in the Company at an issue price of \$0.0825 (8.25 cents) per Share to Orchid Capital Investments Pte. Ltd. as described in the Explanatory Statement which accompanied and formed part of the Notice."

Resolution 4: Approval for the issue of Options

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 22,371,250 options in the Company, each with an exercise price of \$0.15 (15 cents), expiring 30 months from the date of grant and which upon exercise, entitles the holder to one fully paid ordinary share in the Company, to Orchid Capital Investments Pte. Ltd. (and/or its nominee(s)) as described in the Explanatory Statement which accompanied and formed part of the Notice."

Resolution 5: Approval for the issue of Options

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 7,366,625 options in the Company, each with an exercise price of \$0.15 (15 cents), expiring 30 months from the date of grant and which upon exercise, entitles the holder to one fully paid ordinary share in the Company, to unrelated sophisticated and professional investors identified by the Company as described in the Explanatory Statement which accompanied and formed part of the Notice."

Resolution 6: Approval to Issue Options to Mr Darren Lurie (or his nominee) under the Incentive Option & Performance Rights Plan

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

"That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 6,000,000 options to acquire fully paid ordinary shares in the Company under the Incentive Option & Performance Rights Plan of the Company adopted in November 2017 to Mr Darren Lurie (or his nominee) on the terms and conditions as described in the Explanatory Statement which accompanied and formed part of this Notice."

SPECIAL BUSINESS

Resolution 7: Approval of 10% Placement Facility

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

“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 the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions as described in the Explanatory Statement which accompanied and formed part of this Notice.”

Resolution 8: Renewal of Proportional Takeover Provisions in Constitution

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

“That, for the purposes of section 648G(4) of the Corporations Act 2001 (Cth) and for all other purposes, the members (shareholders) of the Company approve the renewal of the proportional takeover provisions in Article 28 of the constitution of the Company for a period of three (3) years from the date of the Meeting.”

By order of the Board



Justin Mouchacca
Company Secretary

26 October 2020

Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

3. Proxies

All voting will be conducted by poll. Please refer to the accompanying access letter sent to Shareholders for further details on how to cast your vote during the meeting.

The Directors instruct all Shareholders who would like to appoint a proxy to lodge a proxy form prior to Tuesday, 24 November 2020 at 11:00am (AEST) (**Proxy Cut-Off Time**). Please refer to the accompanying proxy form for further details on how to appoint a proxy.

Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

4. No physical attendance

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below and contained in the accompanying access letter sent to Shareholders for further details on how Shareholders can participate in the Meeting.


5. Voting using the Online Platform during the Meeting

Due to the virtual nature of the event, the Company's share registry, Computershare Investor Services Pty Limited (**the Registry**), will facilitate voting during the meeting by following the below steps:

If you wish to cast your vote during the meeting, please follow the steps below to register your interest as soon as possible.

Step 1: Visit <https://web.lumiagm.com/383591177> on your desktop or mobile device

Step 2: Enter username (SRN or HIN) and Password (Postcode or Country Code)

Step 3: When the poll is open, the vote icon  will be accessible by selecting the voting icon at the top of your screen.

Step 4: Select your voting option (For/Against/Abstain) for each resolution.

A message will appear at the top of the screen indicating the number of resolutions that you have voted on.

Voting will close an hour after the close of the Meeting. At the close of the Meeting, any votes you have placed will automatically be submitted to the Registry.

6. 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 in advance of the Meeting when registering as a corporate representative.

7. How the Chair will vote undirected proxies

Subject to the restrictions set out below, the Chair of the Meeting intends to vote all undirected proxies on, and in favour of, all of the proposed Resolutions.

8. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member (being **Restricted Voters**) unless the vote is cast as proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or,
- by the Chair of the meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

Accordingly, if you intend to appoint a Restricted Voter as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chair's box on the Proxy Form you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy.

Resolution 2

There is no voting exclusion on this Resolution.

Resolutions 3A and 3B

The Company will disregard any votes cast in favour of Resolution 3A and/or 3B by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved and any of their associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (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:
 - o 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
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 4 and 5

The Company will disregard any votes cast in favour of Resolution 4 and 5 by or on behalf of 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 shares in the Company) and any associates of that person.

However, the Company need not disregard a vote on this Resolution if:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (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:
 - o 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
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6

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

- (a) referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.4.3 who is eligible to participate in the Incentive Option & Performance Rights Plan; and
- (b) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary shares in the Company); or
- (c) any associate of that person described in (a) and/or (b) above.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (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:
 - o 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
 - o the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Other than as set out below, a vote on this Resolution must not be cast as proxy by a Restricted Voter.

A Restricted Voter may cast a vote on this Resolution as a proxy if either:

- (a) the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- (b) the Restricted Voter is the chair and the written appointment of the chair as proxy:
 - o does not specify the way the proxy is to vote on this resolution; and
 - o expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 7

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this resolution is not currently required by Listing Rule 7.3A.7.

Resolution 8

There are no voting exclusions on this Resolution.

9. Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9538 3333 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2020 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9538 3333, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the annual report at the Company's website: www.optiscan.com or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no Resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2020 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

Resolution 2: Re-election of Mr Darren Lurie as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors must retire from office and will be eligible for re-election. Mr Darren Lurie, being eligible, offers himself for re-election.

Darren Lurie has been the Executive Chair of the Company since May 2018. During this time, the Company has made significant progress across all areas of the business. These include:

- Development of its own InVivage® device for clinical use in the Oral Cancer and other cancer applications.
- Established Oral Cancer Trials and Studies at:
 - (1) Memorial Sloan Kettering Cancer Center (MSKCC), one of the leading cancer centres in the United States;
 - (2) the Melbourne Dental School (including collaborators - Royal Melbourne Hospital, Peter MacCallum Cancer Centre, MSKCC and Australian Centre for Oral Oncology Research and Education); and
 - (3) the Australian Centre for Oral Oncology Research and Education.

- Obtained funding of almost \$1 million from the Federal Government's BioMedTec Horizons Program, an initiative of the Medical Research Future Fund, operated by MTP Connect to enable the University of Melbourne's Melbourne Dental School to undertake a trial with approximately 150 patients over a 12-month period.
- Continuation of its collaboration with Carl Zeiss Meditec;
- Commenced seeking FDA approval to market the InVivage® device in the United States for clinical use in oral cancer screening and surgery;
- Initiated Stages 1 and 2 of the Breast Cancer study at Hollywood Private Hospital in Perth with ethics approval being sought for Stage 3 of the study to be undertaken at leading Melbourne hospitals;
- Appointed new distributors in China for the FIVE2(ViewnVivo) system resulting in 3 sales in the first 12 months of the new arrangements;
- Continued progress in the co-operation arrangements with Carl Zeiss Meditec;
- Completed a successful capital raising of \$9.8m led by cornerstone investor, Orchid Capital Investments Pte. Ltd.; and
- Implemented substantial savings of operating costs.

Mr Lurie is an experienced leader of boards and management teams as Chair, CEO and CFO. He has experience working across a range of industries operating both domestically and internationally. Prior to joining Optiscan, Darren was the Group CFO and Head of Corporate Development for EduCo International Group, an investee company of Baring Private Equity Asia and a leading provider of education and related services with campuses in the USA, Australia, Canada and Ireland, across the Higher Education, Career and English sectors. Darren is a former Chair and non-executive Director of ASX listed Farm Pride Foods Ltd (ASX:FRM), one of Australia's leading agribusinesses. He has fifteen years' experience as a corporate advisor leading finance, strategy and merger and acquisition assignments across a range of industries.

Board Recommendation

The Board (with Mr Lurie abstaining), recommends that Shareholders vote in favour of the re-election of Mr Lurie. The Chair of the Meeting intends to vote undirected proxies in favour of Mr Lurie's re-election.

Resolutions 3A and 3B: Ratification of Prior Issue of Shares

Resolutions 3A and 3B collectively seek Shareholder ratification pursuant to ASX Listing Rule 7.4 of the prior issue of 118,951,500 Shares (**Placement Shares**) which were issued in two tranches on 29 September 2020 and 1 October 2020 respectively at an issue price of \$0.0825 (8.25 cents). An Appendix 2A was released to ASX on each of these dates. The Placement Shares the subject of Resolution 3A were issued to professional and sophisticated investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth), each of whom has been identified by the Company and was not, and is not, a related party of the Company. The Placement Shares the subject of Resolution 3B were issued to Orchid Capital Investments Pte. Ltd. (**Orchid**), who was not, and is not at the date of the Notice, a related party of the Company, pursuant to the terms of a subscription agreement.

A breakdown of the tranches of shares by date and the funds raised is set out in the table below:

| Resolution | Date of issue | Number of shares | Funds raised |
|-------------------|----------------------|-------------------------|-----------------------|
| 3A | 29 September 2020 | 29,466,500 | \$2,430,986.25 |
| 3B | 1 October 2020 | 89,485,000 | \$7,382,512.50 |
| Total | - | 118,951,500 | \$9,813,497.75 |

Of the 118,951,500 fully paid ordinary shares sought to be ratified under these Resolution 3A and 3B, 71,173,620 Placement Shares were issued under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1 and 47,777,880 Placement Shares were issued under the Company's additional 10% placement capacity pursuant to ASX Listing Rule 7.1A. All the Placement Shares that were issued under the Company's additional

10% placement capacity pursuant to ASX Listing Rule 7.1A were issued on 1 October 2020 and formed part of the shares issued to Orchid for which shareholder ratification is sought under Resolution 3B.

ASX Listing Rule 7.1 provides that a company must not, subject to specific exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of the twelve (12) month period.

ASX Listing Rule 7.1A provides that, subject to receipt of required shareholder approval, in addition to its 15% placement capacity under ASX Listing Rule 7.1 a company is entitled to issue additional securities up to 10% of the issued share capital through placements over a 12-month period after the company's Annual General Meeting, without need prior shareholder approval. The Company obtained the required shareholder approval for the additional placement capacity under ASX Listing Rule 7.1A at its 2019 Annual General Meeting on 28 November 2019.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A (provided the previous issue did not breach ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1 and/or ASX Listing Rule 7.1A.

If shareholders:

- approve Resolutions 3A and 3B, then all of the Placement Shares will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval; or
- approve either Resolution 3A or 3B, then only those Placement Shares for which shareholder approval was obtained will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed capacity without shareholder approval in respect of those Placement Shares for which shareholder approval was obtained only. The Placement Shares for which shareholder approval is not obtained will continue to use the placement capacity available to the Company under the ASX Listing Rules; or
- do not approve Resolution 3A and 3B, then all of the Placement Shares will continue to use the placement capacity available to the Company under the ASX Listing Rules.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Placement Shares the subject of Resolution 3A were issued to professional and sophisticated investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth), each of whom has been identified by the Company and was not, and is not, a related party of the Company. The Placement Shares the subject of Resolution 3B were issued to Orchid Capital Investments Pte. Ltd. (**Orchid**), who was not, and is not at the date of the Notice, a related party of the Company.
- (b) The total number of securities in the Company that were issued was 118,951,500 fully paid ordinary shares (**Placement Shares**). The Shares were issued in two tranches as set out in the table below:

| Resolution | Date of issue | Number of shares | Funds raised |
|-------------------|----------------------|-------------------------|-----------------------|
| 3A | 29 September 2020 | 29,466,500 | \$2,430,986.25 |
| 3B | 1 October 2020 | 89,485,000 | \$7,382,512.50 |
| Total | - | 118,951,500 | \$9,813,497.75 |

- (c) The Placement Shares were issued at an issue price of \$0.0825 (8.25 cents) per Placement Share;
- (d) The Placement Shares allotted and issued were fully paid ordinary shares of the Company with the same terms as, and ranking equally with, the existing Shares on issue;
- (e) An aggregate of \$9,813,497.75 was raised from the issue of the Placement Shares the subject of this Resolutions 3A and 3B. The funds raised from the issue of the Placement Shares will be used for

inventory expansion, testing for regulatory purposes, product research and development, funding of potential clinical trials, market development, recruitment and working capital;

- (f) The Placement Shares the subject of Resolution 3B were issued pursuant to a subscription agreement between the Company and Orchid (**Subscription Agreement**). A summary of the terms of the Subscription Agreement is set out below:
- a. Orchid agreed to subscribe for the number of shares in the Company equal to 15% of the total number of shares on issue in the Company at completion of issue of all the Placement Shares;
 - b. The Company and Orchid also agreed that, subject to receipt of any required shareholder approval from the shareholders of the Company, the Company will issue Orchid, and Orchid will subscribe for, the options the subject of Resolution 4;
 - c. The Company grants Orchid the right, but not the obligation, for so long as Orchid (and its associates) hold in aggregate 10% of the total number of ordinary shares on issue in the Company, to nominate one person to be appointed as a non-executive director of the Company by providing notice in writing to the Company. As at the date of the Notice, Orchid has not nominated a person to be a non-executive director of the Company as described above. The right of Orchid to nominate a director extends to where the nominee of Orchid has been removed, is not re-elected or has resigned as a director of the Company, in which case Orchid may nominate any replacement of its nominee director, so long as Orchid (and its associates) hold in aggregate 10% of the total number of ordinary shares on issue in the Company at the time;
 - d. Each of the Company and Orchid provided warranties for the benefit of each other, including in respect of power and capacity and solvency. The Company provided additional warranties for the benefit of Orchid, including in respect of its capital structure, no litigation and compliance with its disclosure requirements under the ASX Listing Rules; and
 - e. The Subscription Agreement otherwise contains terms typical for arrangements of this kind, including provisions with respect to termination, confidentiality and GST.

The full Subscription Agreement accompanies the Form 603 – Notice of initial substantial holder released to ASX on 2 October 2020; and

- (g) A voting exclusion statement for Resolutions 3A and 3B respectively are included in the Notice.

Board Recommendation

The Board believes that Resolutions 3A and 3B are in the best interests of the Company and unanimously recommends that Shareholders vote in favour of Resolutions 3A and 3B. The Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 3A and 3B.

Resolution 4: Approval to Issue Options

The Company is seeking Shareholder approval for the purposes of ASX Listing Rule 7.1 to issue 22,371,250 unlisted options to Orchid Capital Investments Pte. Ltd. (**Orchid**) (or its nominees). The unlisted options are being issued to Orchid as free-attaching to the Placement Shares subscribed for by Orchid on the basis of one unlisted option for every four Placement Shares subscribed for by Orchid. Each unlisted option will be exercisable at \$0.15 (15 cents), expire 30 months from grant date and will, upon exercise, entitle the holder of the option to one fully paid ordinary share in the Company. The terms of the options are set out in Annexure A. The issue of the options the subject of this Resolution 4 is to be made pursuant to the terms of the Subscription Agreement between the Company and Orchid.

The issue of the options the subject of this Resolution 4 are subject to and conditional upon receipt of shareholder approval, in accordance with the Subscription Agreement and the announcement of the Company release to ASX on 25 September 2020.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights of conversion to equity (such as options) if the number of those securities exceeds 15% of the share capital on issue at the commencement of that 12-month period. One circumstance where an issue of Equity Securities is not taken into account in the calculation of this 15% capacity is where the issue has the prior approval of shareholders in a general meeting.

If shareholders approve Resolution 4, the Company will be able to issue the 22,371,250 unlisted options the subject of Resolution 4. In addition, the shares issued upon exercise of these unlisted options (if any) will not use up the Company's placement capacity at the time of issue and will increase the placement capacity of the Company under ASX Listing Rule 7.1 and, if the relevant shareholder approval has been obtained at the time,

ASX Listing Rule 7.1A. If shareholders do not approve Resolution 4 then the Company will continue to use best endeavours to satisfy the shareholder approval condition and consult with Orchid in good faith to agree an appropriate alternative course of action to satisfy the condition and, if necessary, determine whether the issue of the options may proceed by way of alternative means or methods.

ASX Listing Rule 7.3 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must include the following information:

- (a) the total number of options to be issued is 22,371,250.
- (b) the recipient of the options will be Orchid Capital Investments Pte. Ltd. (or its nominees) with the options being issued as free attaching options to the Placement Shares subscribed for by Orchid on the basis of one unlisted option for every four Placement Shares subscribed for by Orchid;
- (c) each option will be exercisable at \$0.15 (15 cents), expire 30 months from grant date and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The terms of the unlisted options are set out in Annexure A;
- (d) the options are proposed to be issued shortly after the Meeting and in any event no later than three (3) months after the date of the Meeting;
- (e) the options do not have an issue price, as such, no cash will be raised from the issue of the options which are being issued as free-attaching to the Placement Shares issued to Orchid on the basis of one option for every four Placement Shares subscribed for by Orchid;
- (f) The options the subject of Resolution 4 are to be issued pursuant to the Subscription Agreement. A summary of the terms of the Subscription Agreement is set out in paragraph (f) on page 10 of this Memorandum; and
- (g) a voting exclusion statement for Resolution 4 is included in the Notice.

Board Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that shareholders vote in favour of Resolution 4. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 4.

Resolution 5: Approval to Issue Options

The Company is seeking Shareholder approval to issue 7,366,625 unlisted options to professional and sophisticated investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth), each of whom has been identified by the Company and was not, and is not, a related party of the Company. The unlisted options are being issued to the investors described herein as free-attaching to the Placement Shares subscribed for on the basis of one unlisted option for every four Placement Shares subscribed for. Each option will be exercisable at \$0.15 (15 cents), expire 30 months from grant date and will, upon exercise, entitle the holder of the option to one fully paid ordinary share in the Company. The terms of the options are set out in Annexure B.

The issue of the options the subject of this Resolution 5 are subject to and conditional upon receipt of shareholder approval, in accordance with the announcement of the Company release to ASX on 25 September 2020.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights of conversion to equity (such as options) if the number of those securities exceeds 15% of the share capital on issue at the commencement of that 12-month period. One circumstance where an issue of Equity Securities is not taken into account in the calculation of this 15% capacity is where the issue has the prior approval of shareholders in a general meeting.

If shareholders approve Resolution 5, the Company will be able to issue the 7,366,625 unlisted options the subject of Resolution 5. In addition, the shares issued upon exercise of these unlisted options (if any) will not use up the Company's placement capacity at the time of issue and will increase the placement capacity of the Company under ASX Listing Rule 7.1 and, if the relevant shareholder approval has been obtained at the time, ASX Listing Rule 7.1A. If shareholders do not approve Resolution 5 then the Company will not be able to issue the options the subject of Resolution 5.

ASX Listing Rule 7.3 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must include the following information:

- (a) the total number of options to be issued is 7,366,625.
- (b) the recipients of the options will be professional and sophisticated investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth), each of whom has been identified by the Company and was not, and is not, a related party of the Company with the options being issued as free attaching options to the Placement Shares subscribed for on the basis of one unlisted option for every four Placement Shares subscribed for;
- (c) each option will be exercisable at \$0.15 (15 cents), expire 30 months from grant date and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company. The full terms of the unlisted options are set out in Annexure B;
- (d) the options are proposed to be issued shortly after the Meeting and in any event no later than three (3) months after the date of the Meeting;
- (e) the options do not have an issue price, as such no cash will be raised from the issue of the options which are being issued as free-attaching to the Placement Shares issued to the investors described herein on the basis of one option for every four Placement Shares subscribed for by investors; and
- (f) a voting exclusion statement for Resolution 5 is included in the Notice.

Board Recommendation

The Board believes that Resolution 5 is in the best interests of the Company and unanimously recommends that shareholders vote in favour of Resolution 5. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 5.

Resolution 6: Approval to Issue Options to Mr Darren Lurie (or his nominee) under the Incentive Option & Performance Rights Plan

Background

Subject to receipt of shareholder approval for the purposes of ASX Listing Rule 10.14, the Board intends to issue 6,000,000 options to Mr Darren Lurie in accordance with the Incentive Option & Performance Rights Plan (**Incentive Plan**) approved by shareholders at the Company's Annual General Meeting in November 2017. The material terms of the Incentive Plan are set out in Annexure C.

As announced to ASX on 25 September 2020, the Company entered into an Executive Services Agreement (**Agreement**) with Mr Lurie. Over the past two and a half years, Darren has been instrumental in the development of the Company's InVivage™ clinical device and the oral cancer application, introduction and liaison with multiple leading cancer centres for clinical trials, receipt of a Federal Government grant for approximately \$1million, undertaking of Stages 1 and 2 of the Breast Cancer study and seeking ethics approval for Stage 3 of the study, re-structuring of the FIVE2 (Viewnvivo) distribution arrangements resulting in positive sales results, significant reduction in the cash outflows of the Company and completion of two capital raisings. As part of the execution of the Agreement, it was proposed that the Company seek shareholder approval for the issue of 6,000,000 options to Mr Lurie. Further details on Mr Lurie's recent achievements as Executive Chair are included on pages 7 and 8.

Resolution 6 seeks approval from Shareholders for the proposed issue of 6,000,000 unlisted options (**Options**) to Mr Darren Lurie (**CEO**) to be issued in four (4) equal tranches exercisable at \$0.15 (15 cents) per option with expiry dates as noted below.

Conditions and Hurdles for Options

| Options | |
|---|---|
| Vesting Period: | 31 May 2021 to 30 November 2022, vesting as set out below |
| Exercise Price: | \$0.15 (15 cents) per Option |
| Vesting Conditions and Expiry dates: | <p>Tranche 1 – 1,500,000 Options will vest upon the CEO being employed after 31 May 2021 and expire on 30 November 2024.</p> <p>Tranche 2 - 1,500,000 Options will vest upon the CEO being employed after 30 November 2021 and expire on 31 May 2025.</p> <p>Tranche 3 - 1,500,000 Options will vest upon the CEO being employed after 31 May 2022 and expire on 30 November 2025.</p> <p>Tranche 4 - 1,500,000 Options will vest upon the CEO being employed after 30 November 2022 and expire on 31 May 2026.</p> |

The full terms of the Options are set out in Annexure D.

Corporations Act

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

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company.

A “financial benefit” for the purposes of the Corporations Act also has a very wide meaning. It includes a public company paying money or issuing securities to a related party.

Mr Lurie is a related party of the Company due to the fact that he is a Director of the Company. The issue of Options to Mr Lurie or his nominee constitutes a “financial benefit” as described in the Corporations Act. Accordingly, the proposed issue of Options pursuant to Resolution 6 will constitute the provision of a financial benefit to a related party of the Company.

The Board has formed the view that the issue of Options to Mr Lurie (or his nominee) does not require Shareholder approval under Section 208 of the Corporations Act as the issues constitute “reasonable remuneration” in accordance with Section 211 of the Corporations Act. In reaching this view, the Board considers the proposed issue of Options to Director Mr Lurie are reasonable and appropriate having regard to the circumstances of the Company and his duties and responsibilities and is aligned with Shareholder interests whilst also preserving cash resources in the Company. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to the ASX Listing Rules.

If shareholders approve Resolution 6 then Mr Lurie will obtain a relevant interest in 6,000,000 Options.

Disclosures for the purposes of ASX Listing Rule 10.14

The Company proposes issuing the 6,000,000 Options to Mr Lurie (or his nominee) under the Company’s Incentive Plan. The Company therefore seeks shareholder approval for the purposes of ASX Listing Rules 10.14 to issue the 6,000,000 Option to Mr Lurie (or his nominee).

If shareholders approve Resolution 6, the Company will be able to issue the 6,000,000 Options the subject of Resolution 6 to Mr Lurie or his nominee. In addition, shares issued upon exercise of Options (if any) will increase the placement capacity of the Company under ASX Listing Rule 7.1 and, if the relevant shareholder approval has been obtained at the time, ASX Listing Rule 7.1A. If shareholders do not approve Resolution 6 then the Company will not be able to issue the Options the subject of Resolution 6.

The following information is provided in accordance with ASX Listing Rule 10.15:

- (a) The proposed recipient of the Options is Mr Darren Lurie or his nominee and the number of Options to be issued under Resolution 6 is 6,000,000.
- (b) Mr Lurie is a Director of the Company and is therefore a related party of the Company under ASX Listing Rule 10.14.1.
- (c) Mr Lurie receives an aggregate of \$31,250 plus superannuation per month, comprising \$6,250 for acting as a Director and \$25,000 for acting as CEO.
- (d) Mr Lurie was previously issued 1,100,000 performance rights and 8,000,000 unlisted options on 20 December 2018 under the Incentive Plan.
- (e) Full terms of the Options are set out in Annexure D. As described above, unlisted options are proposed to be issued as reasonable remuneration to incentivise Mr Lurie and to preserve the cash resources of the Company. The Company obtained a Black-Scholes valuation of the Options on 14 October 2020. The total aggregate value of the Options based on this valuation is \$404,340.
- (f) Subject to receipt of shareholder approval of resolutions 6, the Company intends to issue the Options the subject of Resolution 6 shortly after the Meeting and in any event no later than 3 years after the date of the Meeting.
- (g) The Options are to be issued for no cash. Funds raised upon exercise of Options (if any) will be used for working capital purposes at the time of exercise.
- (h) The material terms of the Incentive Plan are set out in Annexure C.
- (i) The Company confirms the following:
 - a. Details of any securities issued under the Incentive Plan will be published in the annual report of the Company relating to the period within which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
 - b. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan after Resolution 6 is approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (j) The Options are being issued pursuant to the terms of the Executive Services Agreement (**Agreement**) between Mr Lurie and the Company. Other than in respect of the issue of the Options, a summary of the terms of the Agreement as set out in the announcement released by the Company to ASX on 25 September 2020 is set out below:
 - a. Fixed Remuneration of \$300,000 plus superannuation.
 - b. Chair's fee of \$75,000 plus superannuation.
 - c. No fixed term.
 - d. Notice period by both the Company and Executive –3 months in writing.
 - e. Sign-on bonus –the Company will pay Mr Lurie a sign on bonus amounting to \$150,000. The sign-on bonus is proposed to be paid for work completed in multiple roles and over the previous years along with his commitment to signing on with the Company to be Chief Executive Officer.
 - f. Short term incentive (STI) –Mr Lurie will receive a short-term incentive payment amounting to \$130,000 upon the Company's InVivage system receiving approval from the United States Food and Drug Administration.
- (k) A voting exclusion for Resolution 6 is contained in the Notice.

Board Recommendation

The Board (with Mr Lurie abstaining) recommends that Shareholders vote in favour of Resolution 6. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 6.

Resolution 7: Approval of 10% Placement Facility

Background

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 Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The Company obtained shareholder approval for the 10% placement facility at its 2019 Annual General Meeting on 28 November 2019.

If shareholders do not approve Resolution 7 then the Company will not be able to issue Equity Securities under the 10% Placement Facility for which approval is sought at the Meeting.

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 (see below).

The Company continues actively seeking to enhance the value of its assets and new investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to either accelerate the work on its current projects, acquire new assets, commence new initiatives and to meet additional working capital requirements.

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. This means it 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).

(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 Company, as at the date of the Notice, has one class of quoted securities on issue, being Fully Paid Ordinary 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 at the commencement of the "relevant period" (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued (A) 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 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 rule 7.1 or rule 7.4;

- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within 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 the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of any other fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

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.

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

(e) *Nature and Consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the relevant Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

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

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting after the Annual General meeting at which the approval is obtained;
- (iii) the time and 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).

(10% Placement Period).

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 period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 26 November 2020, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 26 November 2021 if shareholders approve resolution 7;
 - (ii) the time and date of the Company's next annual general meeting after the Annual General meeting at which the approval is obtained;
 - (iii) the time and 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).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the relevant Equity Securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 (for cash consideration only) may be used by the Company include:
 - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s) (provided the Equity Securities are issued for cash); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 14 October 2020 (**Current Share Price**) 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:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 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 7.1A.2 | | Issue Price | | |
|--|------------------------------------|---|----------------------------------|--|
| | | \$0.06 50% decrease in Current Share Price | \$0.12 Current Share Price | \$0.24 100% increase in Current Share Price |
| Current Variable A 596,730,300 Shares | 10% Voting Dilution | 59,673,030 Shares | | |
| | Funds raised | \$3,580,381 | \$7,160,763 | \$14,321,527 |
| 50% increase in current Variable A 895,095,450 Shares | 10% Voting Dilution | 89,509,545 Shares | | |
| | Funds raised | \$5,370,572 | \$10,741,145 | \$21,482,290 |
| 100% increase in current Variable A 1,193,460,600 Shares | 10% Voting Dilution | 119,346,060 Shares | | |
| | Funds raised | \$7,160,763 | \$14,321,527 | \$28,643,054 |

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options are exercised into Shares or other convertible securities are converted to Shares before the date of the issue of the Equity Securities.
 - 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%.
 - 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.
 - 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.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - The Current Share Price is \$0.12 (12 cents), being the closing price of the Shares on ASX on 14 October 2020.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the 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, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) 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 substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments (provided that the Equity Securities are issued for cash consideration).

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

Due to the forward looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2019 AGM.

During the 12-month period preceding the proposed date of the Meeting, being on and from 28 November 2019, the Company issued a total of 47,777,880 Equity Securities (ordinary shares) under the Company's 10% Placement Facility under ASX Listing Rule 7.1A. The 47,777,880 Equity Securities issued under the 10% Placement Facility approved by shareholders at the 2019 Annual General Meeting issued during the 12 month period preceding the Meeting represent 9.59% of the total number of equity securities on issue in the Company (being 498,378,800 equity securities, comprising 470,178,800 ordinary shares, 25,600,000 unlisted options and 2,600,000 performance rights) at the commencement of the 12 month period preceding the Meeting (being 26 November 2019).

Details as required by ASX Listing Rule 7.3A.6 for the issue are set out below:

- **Date of issue** – 1 October 2020
- **Number of securities issued** – 47,777,880 fully paid ordinary shares
- **Recipient** – Orchid Capital Investments Pte. Ltd.
- **Price** - \$0.0825
- **Discount** – 16% discount
- **Total consideration** – \$3,941,675.10 – none of these funds have been spent to date.
- **Use of consideration** - funds raised from the Placement will be used for inventory expansion, testing for regulatory purposes, product research and development, funding of potential clinical trials, market development, recruitment, and working capital. No funds have been spent as at the date of this meeting.

At the date of that 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 any Equity Securities. Accordingly, no existing shareholder's votes will therefore be excluded and there is no voting exclusion for Resolution 8 in the Notice.

Board Recommendation

The Board believes that Resolution 7 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 8: Renewal of proportional takeover provisions in the Constitution

Article 28 of the Constitution contains provisions dealing with member approval requirements if there was to be any proportional takeover bids for the Company's securities (**Proportional Bid Provisions**).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the members. The Board believes it is appropriate that the Proportional Bid Provisions of the Constitution (Article 28) be renewed.

A soft copy of the Constitution can be sent via email to any shareholder upon request made to Justin Mouchacca, the Company Secretary, by email to Jmouchacca@optiscan.com.

The Resolution to renew the Proportional Bid Provisions is proposed as a special resolution. Accordingly, to be passed at least 75% of the votes validly cast on the Resolution by shareholders eligible to vote of the Resolution by number of shares must be in favour of the Resolution.

If Resolution 8 is passed, shareholders holding at least 10% of the Company's issued ordinary shares may, within 21 days after the Meeting, apply to a court to have the purported renewal of the Proportional Bid Provisions set aside. The court may make an order setting aside the purported renewal of the Proportional Bid Provisions if it is satisfied that it is appropriate in the circumstances to do so.

In seeking the members' approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to members.

Effect of provisions proposed to be renewed

Article 28 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by the members at a general meeting of the Company (**Prescribed Resolution**). The person making the offer for the securities (**Offeror**) (and their associates) cannot vote on the Prescribed Resolution and the Prescribed Resolution requires the approval of more than 50% of members who are entitled to vote at that meeting.

Article 28 also provides that if a Prescribed Resolution is not voted upon at the end of the day before the relevant day in relation to the off-market bid under which offers have been made, the Prescribed Resolution is deemed approved.

If shareholders pass this Resolution 8, then Article 28 as described above will continue to have effect for a period of three years from the date of the Meeting.

Reasons for the resolution

Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Article 28 cease to apply at the end of 3 years from their adoption (or their last renewal).

The Proportional Bid Provisions were included in the renewed Constitution of the Company which was more than 3 years ago and are therefore required to be renewed.

Section 648(G)(4) enables the members to approve a renewal of Proportional Bid Provisions.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of **all** of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Article 28 needs to be renewed. If Article 28 is renewed and any proportional takeover bid (if any) is subsequently approved by members, each member will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

Awareness of current acquisition proposals

As at the date of the Notice, none of the Directors is aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company.

Advantages and disadvantages of the Proportional Bid Provisions since last renewed

As there have been no takeover bids made for any of the shares in the Company since the initial adoption of the Proportional Bid Provisions, there has been no application of Article 28 with respect to the Company as at the date of the notice of meeting. It may be considered that the potential advantages and disadvantages described below have applied for the period since adoption of Article 28 as part of the Constitution.

Potential advantages and disadvantages of the proposed resolution for directors and members

The potential advantages and disadvantages of renewing the Proportional Bid Provisions to directors include:

- (a) If the Directors consider a partial bid should be opposed they will be assisted in preventing the bidder from securing control of the Company as the bidder requires a majority of votes to be cast in its favour by the independent shareholders before the bid can succeed.
- (b) With the Proportional Bid Provisions in place, the Directors must call a meeting to seek the members' view if any partial takeover offer is made, even if the Directors believe the offer should be accepted.

- (c) Under the Proportional Bid Provisions, the most effective view on a partial bid is the view expressed by the vote of the shareholders themselves, at the meeting.
- (d) The Proportional Bid Provisions may make it easier for Directors to discharge their fiduciary and statutory duties as Directors in the event of a partial takeover bid.
- (e) The Directors remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the renewal of the Proportional Bid Provisions for members include:

- (a) All members have an opportunity to study a proportional takeover bid, if made, and to attend or be represented by proxy at a meeting called specifically to vote on the proposal. A majority of shares voted at the meeting, excluding the shares of the bidder and its associates, will be required for the applicable resolution to be passed, following which members will be able to decide whether to accept the bid that may result in a change of the control of the Company.
- (b) Members are able to prevent a proportional takeover bid proceeding if they believe that control of the Company should not be permitted to pass under the bid and, accordingly, the terms of any future proportional takeover bid is likely to be structured in a manner that is attractive to a majority of members.
- (c) The Proportional Bid Provisions enable shareholders to act together to avoid the coercion of members that might otherwise arise where they believe a partial offer is inadequate, but nevertheless accept due to concerns that a significant number of shareholders may accept.
- (d) Members are protected 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, putting members under pressure to accept the initial bid to maximise returns.
- (e) If a partial bid is made, the Proportional Bid Provisions may make it more probable that a bidder will set its offer price at a level that is attractive to members.
- (f) members, as a group, may more effectively advise, contribute to or guide the Directors' response to a partial bid.
- (g) The Proportional Bid Provisions may increase the likelihood that any takeover offer will be a full bid for the whole shareholding of each member, so that member will have the opportunity to dispose of all of their shares rather than only a portion.

The potential disadvantages to members of renewing the Proportional Bid Provisions include:

- (a) By placing obstacles in the way of partial offers, the proposal may tend to discourage partial offers, thus reducing the opportunity for members to sell a portion of their holdings.
- (b) The continued existence of the Proportional Bid Provisions might adversely affect 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.
- (c) An individual member that wishes to accept the partial offer will be unable to sell to the offeror unless a majority of members vote in favour of the partial takeover bid.
- (d) If a partial takeover bid is made, the Company will incur the costs of calling a shareholders meeting.

Recommendation for Resolution 8

Balancing the above advantages and disadvantages, the Directors are of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESS approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHESS**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Optiscan Imaging Limited ABN 81 077 771 987;

“**Constitution**” means the Memorandum and Articles of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

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

“**Key Management Personnel**” means 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;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Option**” means an option to acquire a Share;

“**Performance Right**” means the right to acquire a Share;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Optiscan Imaging Limited for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

Annexure A – Terms of Options

The terms of Unquoted options (**Subscription Options** for the purposes of these terms) the subject of Resolution 4 are set out below:

1. Nature of Subscription Options

Each Subscription Option entitles the Holder (or its nominee) to subscribe for one Share.

2. Exercise Period and Expiry Date

The Subscription Options will be issued at Option Completion and, subject to clause 3 of these Option Terms, can be exercised by the Holder at any time during the period commencing on the Option Completion Date and ending on the date which is 30 months after the Option Completion Date (**Exercise Period**).

3. Conditions

- (a) If an Option Share Issue would result in a FIRB Event, then the Option Share Issue is subject to and must not occur until FIRB Approval has occurred.
- (b) The exercise by the Holder of a Subscription Option is subject to compliance by the Holder with Chapter 6 of the Corporations Act (to the extent applicable).

4. Exercise Price

The exercise price for each Subscription Option is \$0.15 on the date the Holder exercises the relevant Subscription Options (**Exercise Price**).

5. Exercise of Options

- (a) The Holder can, at any time during the Exercise Period, exercise some or all of the Options in accordance with clause 2 of this Schedule 3.
- (b) Subject to clause 3 of these Option Terms, the Options may be exercised:
 - (1) in whole on any one occasion; or
 - (2) in part on more than one occasion.
- (c) The Subscription Options may be exercised by the Holder giving notice to the Company specifying the number of Subscription Options being exercised and the person to whom the Shares will be issued (if not the Holder) (Exercise Notice).
- (d) The Exercise Notice serves as an application by the Holder (or its nominee specified in the Exercise Notice) for the allotment and issue of the Option Shares and accordingly, it will not be necessary for (the Holder (or its nominee) to provide a separate (additional) application for the Option Shares.

6. Completion of issue of Option Shares

- (a) On the Option Issue Completion Date:
 - (1) the Company must:
 - (A) (**Share issue**) allot and issue or procure the allotment and issue of the Option Shares to the Holder (or its nominee) free from any Encumbrance or other third party rights;
 - (B) (**Register**) procure and ensure that the Holder (or its nominee) is registered as the holder of the Option Shares in the register of members of the Company;
 - (C) (**other steps**) take all other steps required under the Constitution, ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act to constitute and evidence the Holder (or its nominee) as the holder of its Option Shares; and
 - (D) (**Documentation**) provide an allotment confirmation statement in respect of the Option Shares to the Holder (or its nominee) (with a holding statement in respect of the Subscription Shares to be provided promptly following the issue of the Option Shares); and
 - (2) the Holder must pay the Exercise Price for the Option Shares to the Company (or as the Company directs) in Immediately Available Funds.
- (b) The actions to take place at completion of the issue of the Option Shares contemplated by clause 6(a) of these Options Terms are interdependent and must take place, as nearly as possible, simultaneously.

If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (1) there is no obligation on any party to undertake or perform any of the other actions; and
 - (2) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions.
- (c) Subject to clause 6(d), as soon as practicable and in any event within 5 Business Days following the issue of the Option Shares, the Company must give to ASX a notice under section 708A(5)(e) of the Corporations Act in respect of the Option Shares.
- (d) If, at the time the Company receives the Exercise Notice, the Company is prevented from issuing a notice under section 708A(5)(b), (c) or (d) of the Corporations Act, the Company must lodge a prospectus that qualifies the Option Shares issued upon exercise of the Subscription Options for resale under section 708A(11) of the Corporations Act within 20 Business Days after receiving the Exercise Notice, and within 1 Business Day thereafter issue the Option Shares.
- (e) As soon as practicable, and in any event within 1 Business Day after issuing the Option Shares, the Company must apply to ASX for official quotation of the relevant Option Shares

7. Option Shares issued upon exercise

Option Shares issued upon exercise of the Subscription Options rank equally with the existing Shares of the Company.

8. New Issues

There are no participation rights or entitlements inherent in the Subscription Options and the Holder will not be entitled to participate in new issues of capital offered to shareholders of the Company unless the Holder has exercised the Subscription Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.

9. Bonus Issues

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

- (a) the number of Shares which must be issued upon the exercise of a Subscription Option will be increased by the number of Shares which the Holder would have received if the Subscription Options had been exercised before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

10. Pro Rata Issue

In the case of a pro rata issue other than a bonus issue, the Exercise Price of each Subscription Option will be reduced in accordance with the Listing Rules (in particular Listing Rule 6.22.2, or any successor provision).

11. Re-organisation of Capital

If there is a re-organisation of the issued capital of the Company, the terms of the Subscription Options and the rights of the Holder under these Option Terms will be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation, in the manner which achieves the most favourable treatment for the Holder which is permitted under the Listing Rules.

12. Cumulative Adjustments

Clauses 8 to 11 of these Option Terms will be applied separately and cumulatively to each transaction to which they apply .

13. Notice of Adjustments

Whenever the number of Shares over which a Subscription Option is exercisable, or the Exercise Price, is adjusted pursuant to these Option Terms, the Company must give notice of the adjustment to the Holder as soon as reasonably practicable and in any event, within 3 Business Days.

14. Quotation of Subscription Options

No application for quotation of the Subscription Options will be made by the Company.

15. Transfer of Subscription Options

The Subscription Options may be transferred (in whole or in part) by the Holder in accordance with the Corporations Act and Listing Rules to its related bodies corporate or other related entities.

16. Amendments

- (a) These Option Terms may only be amended by written agreement between the Company and the Holder and subject to compliance with the Listing Rules
- (b) If ASX requires amendments to these Option Terms, the Company and the Holder must consult in good faith to agree the amendments to the extent necessary in order to comply with the ASX Listing Rule (and in the manner which achieves the most favourable treatment for the Holder).

17. Governing Law

These Option Terms and the rights and obligations of the Holder is governed by the laws of Victoria, Australia. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Victoria and waive any claim or objection based on absence of jurisdiction or inconvenient forum.

18. Definitions

The meanings of the terms used in these Option Terms are set out below. Capitalised terms used but not otherwise defined in these Option Terms have the same meanings given in the Subscription Agreement.

| Term | Meaning |
|-------------------------------------|---|
| FIRB Approval | the Treasurer of the Commonwealth of Australia: <ol style="list-style-type: none">1 giving written notice that it does not object to the transaction either unconditionally or on conditions acceptable to the Holder; or2 otherwise becoming precluded from making an order, under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth). |
| FIRB Event | the Treasurer of the Commonwealth of Australia having the power under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) to make an order prohibiting the Option Share Issue. |
| Holder | a holder of a Subscription Option. |
| Option Issue Completion Date | <ol style="list-style-type: none">1 the date which is 5 Business Days after receiving the Exercise Notice (or such later date as the Holder, in its discretion, may agree); or2 if clause 6(d) of these Option Terms applies, the date which is 1 Business Day after lodgement of the prospectus contemplated in clause 6(d) of these Option Terms. |
| Option Shares | fully paid ordinary shares in the capital of the Company to be issued on exercise of an Option. |
| Option Share Issue | the issue of Option Shares upon the exercise of Options in accordance with these Option Terms. |
| Option Terms | these terms and conditions of the Subscription Options. |

Annexure B – Terms of Options

The terms of Unquoted options the subject of Resolution 5 are set out below:

- 1. Entitlement**
Each Option (**Option**) entitles the holder to subscribe for one ordinary share (**Share**) upon exercise of the Option.
- 2. Exercise Period**
The Options are exercisable at any time on or prior to the date which is 30 months from the issue date (**Expiry Date**).
- 3. Exercise Price**
Each Option has an exercise price of \$0.15 (15 cents) (**Exercise Price**).
- 4. Notice of Exercise**
The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- 5. Shares issued on exercise**
Shares issued on exercise of the Options will rank equally with the then shares of the Company.
- 6. Quotation of Shares on exercise**
Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- 7. Timing of issue of Shares**
After an Option is validly exercised, the Company must, within, 20 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:
 - (a) issue the Share; and
 - (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.
- 8. Participation in new issues**
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- 9. Adjustment for bonus issues of Shares**
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
- 10. Adjustment for entitlement issue**
In the case of a pro rata issue other than a bonus issue, the Exercise Price of each Option will be reduced in accordance with the Listing Rules (in particular Listing Rule 6.22.2, or any successor provision).
- 11. Adjustments for reorganisation**
If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- 12. Options not quoted**
The Company will not apply to ASX for quotation of the Options.
- 13. Options transferable**
The Options are not transferrable.

14. Amendment to Terms

If ASX requires amendments to these Option terms, the Company and the holder must consult in good faith to agree the amendments to the extent necessary in order to comply with the ASX Listing Rule (and in the manner which achieves the most favourable treatment for the holder).

15. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

ANNEXURE C - SUMMARY OF INCENTIVE PLAN

1. Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Options or Performance Rights (together, Awards), upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines.

2. Offer and Application Form

An invitation to apply for the provision of Awards under the Incentive Plan must be made by way of an offer document (Offer Document). At a minimum, the Offer Document must include the following information:

- (a) the maximum number of Awards that the Eligible Participant may apply for, or the formula for determining the number of Awards that may be applied for;
- (b) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Award or the formula for determining the maximum number of Shares;
- (c) the Option exercise price, or the formula for determining the Option exercise price (Exercise Price) of any Options;
- (d) any applicable vesting conditions as determined by the Board in its discretion;
- (e) any restriction period the Board has resolved to apply to Shares issued on exercise of the Awards;
- (f) when Awards will expire (Expiry Date);
- (g) the date by which an Offer Document must be accepted (Closing Date);
- (h) any other terms and conditions applicable to the Awards; and
- (i) any other information required by law or the Corporations Act, the Class Order or the ASX Listing Rules or the considered by the Board to be relevant to the Awards or the Shares to be issued on the exercise of the Awards.

An Eligible Participant (or permitted Nominee) may apply for the Incentive Options or Performance Rights in whole or in part, by signing and returning an Application Form to the Company no later than the Closing Date. The Board may accept or reject any Application Form in its absolute discretion.

Where the Company needs to rely on the Class Order in respect of an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

3. Terms of the Options or Performance Rights

- (a) Unless quoted on the ASX, each Award will be granted to an Eligible Participant under the Incentive Plan for no more than nominal consideration.
- (b) Each Award will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Offer Document otherwise provides.
- (c) Awards will not be listed for quotation on the ASX, unless the Offer Document provides otherwise. The Company will apply for official quotation of the Shares issued upon the exercise of any vested Awards.
- (d) The Exercise Price of an Option shall be determined by the Board in its absolute discretion but must not be less than any minimum price specified in the ASX Listing Rules.
- (e) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (f) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (g) Subdivision 83A-C the *Income Tax Assessment Act 1997* applies to the Awards except to the extent an Offer Document provides otherwise.
- (h) An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion).
- (i) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer Document otherwise provides where permitted by the ASX Listing Rules.
- (j) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX listing rules applying to reorganisations at the time of the reorganisation.

- (k) Following the issue of Shares following exercise of vested Awards, Participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the Participant.

4. Vesting and Exercise of Options or Performance Rights

- (a) Vesting Conditions: Subject to rules 4(b) and 4(c) below, an Award acquired under the Plan will not vest and be exercisable unless the vesting conditions (if any) attaching to that Award have been satisfied and the Board has notified the Eligible Participant of that fact within 10 Business Days of becoming aware that any vesting condition has been satisfied.
- (b) Vesting Condition Waiver: Notwithstanding rule 4(a) above, the Board may in its absolute discretion, by written notice to an Eligible Participant, resolve to waive any of the vesting conditions applying to an Award. For clarity, the Board may in its discretion waive or reduce any vesting conditions after the time specified for satisfaction of those vesting conditions has passed. In the event of a Change of Control of the Company, the Board may resolve to waive all vesting conditions attaching to an Award.
- (c) Exercise on Vesting: A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer Document, exercise any vested Award at any time after the Board notifies that the Award Right has vested and before it lapses by providing the Company with:
- (i) the certificate for the Awards or, if the certificate for the Awards has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
 - (ii) a notice addressed to the Company and signed by the Participant stating that the Participant exercises the Awards and specifying the number of Awards which are exercised; and
 - (iii) in respect of Options, payment to the Company in cleared funds of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised, unless there is no exercise price payable in respect of the Options to be exercised or the Cashless Exercise Facility (explained in rule 4(e)) applies.
- (d) One or Several Parcels: Awards may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Awards in any parcel is not less than a marketable parcel (as defined in the ASX Listing Rules).
- (e) Cashless Exercise Facility:
- (i) Market Value, in respect of a Share, means the volume weighted average market price for Shares traded on the ASX during the 7 day period up to and including the day on which the Market Value is to be determined.
 - (i) In respect of Options, the Board may, in its discretion, permit a Participant to exercise some or all of their Options by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles a Participant to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.
 - (ii) If a Participant elects to use the Cashless Exercise Facility, and its use is approved by the Board, the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:
 - (A) *the aggregate total Market Value (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised for a cash Option Exercise Price;*
 - (B) *less the aggregate total Option Exercise Price otherwise payable in respect of the vested Options exercised; and*
 - (C) *divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.*
 - (iii) If the Option Exercise Price otherwise payable in respect of the Options being exercised is the same or higher than the Market Value of Shares at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.
- (f) Lapsing of Awards: An Award will lapse upon the earlier of:
- (i) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
 - (ii) a vesting condition not being satisfied or becoming incapable of satisfaction (and not being waived);
 - (iii) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Award or allow it to remain unvested;
 - (iv) in respect of a vested Award, a holder ceases to be an Eligible Participant and the Board, in

its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result;

- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
- (vi) in respect of an unvested Award, the Company undergoes a Change of Control or a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Incentive Plan; and
- (vii) the expiry date of the Award.

5. Restrictions

- (a) The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award (Restricted Shares), up to a maximum of fifteen (15) years from the Acquisition of the Award (Restriction Period).
- (b) The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period (other than where imposed by the ASX Listing Rules).
- (c) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (d) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules. The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.
- (e) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

INCENTIVE PLAN – GLOSSARY

Change of Control means:

- (a) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Acquisition Date means, in respect of an Award, the date the Board resolves to accept an Application Form from an Eligible Participant or Nominee (as applicable) and to provide the Award to the applicant.

Class Order means ASIC Legislative Instrument 14/1000 as amended or replaced from time to time.

Eligible Participants means a Director (whether executive or non-executive), a full or part time employee of the Company or any of its subsidiaries (Group Company), a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order) and a prospective participant who has entered into an agreement to become an Eligible Participant.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members; or
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant.

Annexure D – Terms of Options

The terms of Unquoted options the subject of Resolution 6 are set out below:

Options have the vesting conditions and expiry dates as set out in the table below:

| | |
|---|---|
| Vesting Conditions and Expiry dates: | <p>Tranche 1 – 1,500,000 Options will vest upon the CEO being employed after 31 May 2021 and expire on 30 November 2024.</p> <p>Tranche 2 - 1,500,000 Options will vest upon the CEO being employed after 30 November 2021 and expire on 31 May 2025.</p> <p>Tranche 3 - 1,500,000 Options will vest upon the CEO being employed after 31 May 2022 and expire on 30 November 2025.</p> <p>Tranche 4 - 1,500,000 Options will vest upon the CEO being employed after 30 November 2022 and expire on 31 May 2026.</p> |
|---|---|

Other than as set out above, Options have common terms as set out below. Reference to “Option” or “Options” below is to Options that are vested.

- 1. Entitlement**
Each Option (**Option**) entitles the holder to subscribe for one ordinary share (**Share**) upon exercise of the Option.
- 2. Exercise Period**
The Options are exercisable at any time on or prior to the date set out in the table above (**Expiry Date**).
- 3. Exercise Price**
Each Option has an exercise price of \$0.15 (15 cents) (**Exercise Price**).
- 4. Notice of Exercise**
The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- 5. Shares issued on exercise**
Shares issued on exercise of the Options will rank equally with the then shares of the Company.
- 6. Quotation of Shares on exercise**
Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- 7. Timing of issue of Shares**
After an Option is validly exercised, the Company must, within, 20 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:
 - (c) issue the Share; and
 - (d) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.
- 8. Participation in new issues**
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- 9. Adjustment for bonus issues of Shares**
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (e) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (f) no change will be made to the Exercise Price.
- 10. Adjustment for entitlement issue**
In the case of a pro rata issue other than a bonus issue, the Exercise Price of each Option will be reduced in accordance with the Listing Rules (in particular Listing Rule 6.22.2, or any successor provision).

- 11. Adjustments for reorganisation**
If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- 12. Options not quoted**
The Company will not apply to ASX for quotation of the Options.
- 13. Options transferable**
The Options are not transferable.
- 14. Amendment to Terms**
If ASX requires amendments to these Option terms, the Company and the holder must consult in good faith to agree the amendments to the extent necessary in order to comply with the ASX Listing Rule (and in the manner which achieves the most favourable treatment for the holder).
- 15. Lodgement Instructions**
Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.
- 16. Plan**
These terms of Options are otherwise subject to the terms of the Incentive Plan.



Optiscan Imaging Limited
ACN 077 771 987



OIL

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 **11.00am (AEDT) on Tuesday, 24 November 2020.**

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: I9999999999
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 N D

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 Optiscan Imaging Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair 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 Chair 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 Optiscan Imaging Limited to be held as a virtual meeting on Thursday, 26 November 2020 at 11.00am (AEDT) and at any adjournment or postponement of that meeting.

The Chair is authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Resolutions 1 and 6 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 | | For | Against | Abstain | |
|---------------|---|--------------------------|--------------------------|--------------------------|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 2 | Re-election of Mr Darren Lurie as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 6 | Approval to Issue Options to Mr Darren Lurie (or his nominee) under the Incentive Option & Performance Rights Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3A | Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 7 | Approval of 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3B | Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8 | Renewal of Proportional Takeover Provisions in Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval for the issue of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 5 | Approval for the issue of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair 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 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director 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

