

## WFL ANNUAL GENERAL MEETING

Wellfully Limited (ASX: WFL) (**Wellfully** or **the Company**) advises that an Annual General Meeting (**AGM**) will be held at the offices of RSM Perth at the Sir Cyril Bird Boardroom, Level 32 Exchange Tower, 2 The Esplanade, Perth Western Australia on 1 December 2021 commencing at 10am (Perth time).

In accordance with section 253RA of the *Corporations Act 20021 (Cth)*, as inserted by section 31 of the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)* assented to on 13 August 2021, the Notice of Meeting is being made available to Shareholders (for whom an election by the recipient to receive documents in hard copy only is *not* in force) electronically and can be viewed and downloaded online at the following link: <https://wellfully.net/asx-announcements/>.

The Company encourages Shareholders to vote on resolutions via proxy form. Proxy forms can be lodged online, by post or in person, by following the proxy lodgement instructions on the proxy form. Proxy forms must be received by the Company's share registry Automic by 10am (Perth time) on 29 November 2021.

The Australian government is implementing a wide range of measures to contain or delay the spread of Covid-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's ASX Announcement Platform at <https://www.asx.com.au> (ASX: WFL).

## ABOUT WELLFULLY

Wellfully is a fully integrated, science-based wellness company. In addition to its own-brand, RÉDUIT, the Company also offers a portfolio of proprietary technologies and supports partners by providing IP-protected market exclusivity, expertise in magnetic array design, feasibility and efficacy, and claims testing, engineering and production.

Wellfully's established operations via its wholly-owned business units are:

- The Innovation & R&D unit provides technology to the other business units of the Company, as well as licensing and development services to international partners.
- The Design & Technology and Supply-chain hub in Dongguan, China has the ability to rapidly develop and industrialize the Company's technologies and innovations in an agile, efficient, secure and cost-effective manner.
- The Digital Communications and Marketing & Sales units are focused on supporting Wellfully's own consumer brands.
- BodyGuard is the Company's therapeutic unit and develops advanced "direct to site of injury" patch products for the wellness and pain management sectors. This technology also has applications across supplement, healthcare, and musculoskeletal sectors.

## ABOUT WELLFULLY'S TECHNOLOGIES

Wellfully has developed a number of physical enhancement technologies based on the interactions between ingredient molecules and weak atomic forces, positioning the

### Directors

Mr Antonio Varano  
Mr Steven Schapera  
Mr Jeffrey Edwards  
Mr Cameron Reynolds

### CEO

Mr Paul Peros

### Company Secretary

Mr John Palermo

### Registered Office

284 Oxford Street  
Leederville  
Western Australia  
6007

### Contact

Tel: +61 8 9443 3011  
[www.wellfully.net](http://www.wellfully.net)  
[www.obj.com.au](http://www.obj.com.au)  
ABN: 72 056 482 636

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Company as a world leader in the science of magnetic fields as they relate to drug or active-ingredient delivery.

The first of Wellfully's magnetic technologies was the Magnetic Microarray. Complex 3-D magnetic fields, produced by low-cost microarray film, influence the movement and penetration through the skin of drugs, active ingredients and formulations at the molecular level. This was licensed and commercialized in 2014.

The second magnetic technology, the Programmable Array technology, employs powered electromagnetic fields that can be altered to suit individual consumer's skincare needs. This was licensed for skincare applications in 2021.

The third magnetic technology uses magnetic fields to alter the wettability of a surface, substantially enhancing contact between liquid and solids. Magneto-Wetting underpins the Company's current developments in haircare, skincare and surface hygiene, in conjunction with Wellfully's recently developed Ultrasonic Misting technology. International patents have been filed.

## FORWARD-LOOKING STATEMENTS

This announcement contains certain "forward-looking statements" concerning Wellfully. Where Wellfully expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Such forward-looking statements including statements regarding intentions, planned events and potential results are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements, and there are risks associated with Wellfully and the industry which may affect the accuracy of the forward-looking statements. Wellfully does not undertake any obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

This release has been issued with the authorisation of the Board.

- Ends -

For more information:  
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Phone: +61 451 896 420

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### Directors

Mr Antonio Varano  
Mr Steven Schapera  
Mr Jeffrey Edwards  
Mr Cameron Reynolds

### CEO

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### Company Secretary

Mr John Palermo

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**WELLFULLY LIMITED  
(ACN 056 482 636)**

**NOTICE OF ANNUAL GENERAL MEETING**

**Meeting to be held at the offices of RSM Perth at the Sir Cyril Bird Boardroom,  
Level 32 Exchange Tower, 2 The Esplanade, Perth Western Australia  
on 1 December 2021 commencing at 10am (Perth time).**

**This Notice and Explanatory Statement should be read in its entirety.**

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.**

**If Shareholders are in doubt as to how to vote, they should seek advice from their  
accountant, solicitor or other professional adviser without delay.**

## WELLFULLY LIMITED (ACN 056 482 636)

### NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the annual general meeting of Wellfully Limited (ACN 056 482 636) will be held at the offices of RSM Perth at the Sir Cyril Bird Boardroom, Level 32 Exchange Tower, 2 The Esplanade, Perth Western Australia on 1 December 2021 commencing at 10am (Perth time).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

### AGENDA

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#### Ordinary business

##### 1. Financial Statements

To receive the Financial Statements for the year ended 30 June 2021.

Note: There is no requirement for Shareholders to approve these statements.

##### 2. Resolution 1 – Adoption of the Remuneration Report

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

*“To adopt the Remuneration Report for the financial year ended 30 June 2021.”*

Note: This Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

#### Voting Prohibition Statement for Resolution 1:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on this Resolution;  
and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**3. Resolution 2 – Re-election of Mr Antonio Varano as a Director**

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

*“That for the purposes of clause 12.3 of the Company’s Constitution and for all other purposes, Mr Antonio Varano retires and, being eligible, is re-elected as a Director of the Company.”*

**4. Resolution 3 – Re-election of Mr Cameron Reynolds as a Director**

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

*“That for the purposes of clause 12.3 of the Company’s Constitution and for all other purposes, Mr Cameron Reynolds retires and, being eligible, is re-elected as a Director of the Company.”*

**5. Resolution 4 – Re-election of Mr Anthony Wright as a Director**

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

*“That for the purposes of clause 12.3 of the Company’s Constitution and for all other purposes, Mr Anthony Wright retires and, being eligible, is re-elected as a Director of the Company.”*

**6. Resolution 5 – Approval of additional placement capacity**

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

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of equity securities totalling up to 10% of the Company’s share capital calculated in accordance with Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Statement, is approved.”*

**7. Resolution 6(a) – Ratification of issue of Placement Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue, or agreement to issue, of 31,473,369 Placement Shares under Listing Rule 7.1 at an issue price of \$0.13 per Placement Share on or around 21 October 2021 to the Sophisticated Investors on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement for Resolution 6(a):**

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

behalf of the Sophisticated Investors and any of their associates.

However, the Company need not disregard a vote cast if it is cast by:

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

**8. Resolution 6(b) – Ratification of issue of Placement Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue, or agreement to issue, of 6,988,170 Placement Shares under Listing Rule 7.1A at an issue price of \$0.13 per Placement Share on or around 21 October 2021 to the Sophisticated Investors, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement for Resolution 6(b):**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Sophisticated Investors and any of their associates.

However, the Company need not disregard a vote cast if it is cast by:

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

- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**9. Resolution 7 – Issue of free-attaching New Options to the Sophisticated Investors**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 12,820,513 free-attaching New Options to the Sophisticated Investors, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement for Resolution 7:**

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

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

However, the Company need not disregard a vote cast if it is cast by:

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

**10. Resolution 8 – Issue of New Options to the Lead Manager**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 20,000,000 New Options at an issue price of \$0.0001 per New Option to the Lead Manager (or its nominees), on the terms and conditions set out in the Explanatory*

*Statement.”*

**Voting Exclusion Statement for Resolution 8:**

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

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

However, the Company need not disregard a vote cast if it is cast by:

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

**11. Resolution 9 – Spill resolution (conditional resolution)**

**Condition for Resolution 9: Resolution 9 will be considered at the Meeting only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report.**

The Explanatory Statement further explains the circumstances in which Resolution 9 will be put to the Meeting.

If the condition (described above) is satisfied, to consider, and if thought to fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against adoption of the Remuneration Report for the year ended 30 June 2021:*

- (a) *an extraordinary general meeting of the Company (the ‘spill meeting’) be held within 90 days of the passing of this Resolution;*
- (b) *other than the Managing Director, Mr Jeffrey Edwards, all of the Directors in office when the resolution to make the Directors’ Report*

*for the year ended 30 June 2021 (being Resolution 1) was passed or otherwise and who remain in office at the time of the spill meeting, cease to hold office immediately before the end of the spill meeting; and*

- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.”*

**Voting Prohibition Statement for Resolution 9:**

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

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

However, the above prohibition does not apply if:

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

## **Explanatory Statement**

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

## **Proxies**

Please note that:

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

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## **Voting Entitlements**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (Perth time) on 29 November 2021.

## **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 may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board

Mr Antonio Varano  
Chairperson  
25 October 2021

## **EXPLANATORY STATEMENT**

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### **1. Financial Statements**

The Financial Statements are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Company's auditor will be attending the Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

### **2. Resolution 1 – Adoption of the Remuneration Report**

#### **2.1 General**

The Annual Report for the year ended 30 June 2021 contains the Remuneration Report which:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- (b) sets out the remuneration details for each Director; and
- (c) sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

The Chairperson of the Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting (a "spill meeting") must be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval or otherwise of the applicable Directors' Report must go up for re-election.

At the 2020 Annual General Meeting, 25% or more of the votes cast in respect of the 30 June 2020 remuneration report were against the adoption of the 30 June 2020 remuneration report.

Accordingly, if at least 25% of the votes cast in respect of the Remuneration Report are against the adoption of the Remuneration Report, the spill resolution will be put to the Meeting as the final item of business (see Resolution 9 below).

Further detail is included in the Explanatory Statement to the spill resolution (see Resolution 9 below).

## **2.2 Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1.

## **3. Resolutions 2, 3 and 4 – Re-election of Mr Antonio Varano, Mr Cameron Reynolds and Mr Anthony Wright as a Director**

### **3.1 General**

In accordance with clause 14.2 of the Company's Constitution, Mr Antonio Varano retires, and being eligible, offer himself for re-election as a Director.

In accordance with clause 14.2 of the Company's Constitution, Mr Cameron Reynolds retires, and being eligible, offer himself for re-election as a Director.

In accordance with clause 14.4 of the Company's Constitution, Mr Anthony Wright retires, and being eligible, offer himself for re-election as a Director.

**Mr Antonio Varano:** Mr Varano has more than 30 years' experience across Australia, Europe and the USA, operating and managing successful entrepreneurial, corporate and investment pursuits. This experience has covered start up, funding and growth, corporate operations, executive management and business exits. His expertise spans retail, cosmetics, skincare, real estate, agriculture, publishing, construction, entertainment and the arts. Many of these businesses have achieved a dominant position in the markets in which they operate. New York-based, Mr Varano holds Board and investment positions in several companies he has either founded or invested in at an early stage. Mr Varano studied business at the Western Australian Institute of Technology, and an MBA at the University of Western Australia. During the past three years, Mr Varano has not held a directorship in any other listed companies.

**Mr Cameron Reynolds:** Mr Reynolds is the President, Chief Executive Officer (CEO) and Director of VolitionRX, a biotech company which listed on the New York Stock Exchange (NYSE) in February 2015 after being founded by Mr Reynolds in 2010. He has extensive experience in the management, structuring, and strategic planning of start-up companies and has held positions including CEO, Chief Financial Officer and Non-Executive Director of public and private enterprises. During the past three years, Mr Reynolds has not held a directorship in any other listed companies.

**Mr Anthony Wright:** Mr Wright is an experienced senior executive with more than 20 years of experience across leadership, commercial, legal, governance, strategy, sales and marketing roles in leading global and Australian organisations including Transpacific Industries Group Ltd (now Cleanaway Ltd) and the PGA Tour. Until recently, Mr Wright was an Executive Director of LOD, a global leader in the legal, risk and compliance services market. He leads its consulting, services and innovation divisions. Prior to this, he founded and was Chief Executive Officer of Lexvoco, an award-winning legal, risk and compliance

services and tech business commenced in 2014 which employed 100+ staff and operated in Australia, New Zealand and Japan. Lexvoco was acquired by LOD/Bowmark Capital in 2019. He held multiple senior executive roles at Transpacific Industries including Group General Counsel and General Manager, Strategy and Systems, and he was a Director for the PGA Tour, commercialising and promoting professional golf tournaments in Asia Pacific, after earlier legal and accountancy-related positions. His qualifications include Bachelor of Laws, Bachelor of Business (Accounting), Master of Laws, MBA, and he is Lean Six Sigma (Green Belt) qualified and a Graduate of the Australian Institute of Company Directors. Anthony is admitted as a solicitor in Australia and New Zealand. In addition to his directorship with the Company, Anthony is also a director with Ausroad Blast Technologies, a joint venture with Ausroad Systems and the University of Queensland focused on the automation of drilling and blasting at mine and infrastructure sites. During the past three years, Mr Wright has not held a directorship in any other listed companies other than those detailed above.

### **3.2 Recommendation**

The Board (excluding Mr Varano, Mr Reynolds and Mr Wright) recommends that Shareholders vote in favour of Resolutions 2, 3 and 4.

## **4. Resolution 5 – Approval of additional placement capacity**

### **4.1 General**

The Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (**10% Placement**).

This Resolution is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement can cover are existing quoted securities, namely ordinary fully paid Shares.

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

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

As at the date of this Notice, the Company has a market capitalisation of \$27,311,241.<sup>1</sup>

### **4.2 Eligibility criteria**

Under Listing Rule 7.1A, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue Shares comprising up to 10% of its

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<sup>1</sup> Based on a market price for each Share of \$0.11 on 22 October 2021 and a total of 248,284,005 Shares on issue on 22 October 2021.

issued share capital in addition to the normal 15% new issue 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.

#### 4.3 Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1. As at the date of finalisation of this Notice, the Company has 248,284,005 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the (potential) capacity to issue:

- (a) 37,242,600 Shares under Listing Rule 7.1; and
- (b) 24,828,401 Shares under Listing Rule 7.1A.

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

In summary, Listing Rule 7.1A.2 would apply to the Company as follows:

If the Company has obtained the approval of Shareholders at the Meeting (ie. if this Resolution is passed), the Company may issue or agree to issue, during the approval period (ie. the 12 month period after the date of the Meeting, or until the time and date of the Company's next annual general meeting, in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the time and date of such approval, whichever occurs first), a number of Shares calculated in accordance with the following formula:

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

Where<sup>2</sup>:

A = The number of Shares on issue 12 months before the date of issue or agreement,

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 (which contains numerous exceptions to Listing Rule 7.1 and Listing Rule 7.1A, including in relation to issues of Shares pursuant to pro-rata issues, under off-market bids, mergers by scheme of arrangement or approved employee incentive schemes, or certain issues of preference shares, etc – refer to Listing Rule 7.2 for full details), other than exceptions 9, 16 or 17,

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<sup>2</sup> Nb. The explanation of the formula components should be read in conjunction with the definitions and rules of interpretation in the Listing Rules.

- plus the number of Shares issued in the 12 months upon the conversion of convertible securities such as options within exception 9 of Listing Rule 7.2 where:
  - the convertible securities were issued or agreed to be issued before the 12 months; or
  - the issue or agreement to issue of the convertible securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,
- plus the number of Shares issued in the 12 months under an agreement to issue securities within exception 16 of Listing Rule 7.2 where:
  - the securities were issued or agreed to be issued before the 12 months; or
  - the issue or agreement to issue of the securities was approved, or taken to be approved under the Listing Rules, under Listing Rules 7.1 or 7.4,
- plus the number of partly paid Shares that became fully paid in the 12 months,
- plus the number of Shares issued with Shareholder approval under Listing Rule 7.1 (ie. the 15% capital raising approval requirement rule) or Listing Rule 7.4 (which relates to subsequent approvals by Shareholders of an issue of equity securities),
- less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = 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 issue or agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

#### **4.4 Minimum issue price**

In accordance with Listing Rule 7.1A, Shares issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the Shares calculated over the 15 trading days on which trades in its Shares were recorded immediately before:

- (a) the date on which the issue price of the Shares is agreed; or
- (b) the issue date (if the Shares are not issued within 10 trading days of the date on which the issue price is agreed).

The Company notes that equity securities issued in accordance with ASX Listing Rule 7.1A must be issued for cash consideration.

#### **4.5 Placement period**

Shareholder approval under Listing Rule 7.1A is valid from the date of this Meeting until the earlier to occur of:

- (a) the date that is 12 months after the date of the Meeting;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Meeting.

#### 4.6 Dilution to existing shareholdings

If this Resolution is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result.

Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of finalisation of this Notice.

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution table		
		\$0.055 (50% decrease in share price)	\$0.11 share price	\$0.22 (100% increase in share price)
Current Shares (248,284,005 Shares)	Number of Shares issued	24,828,400	24,828,400	24,828,400
	Funds raised	\$1,365,562	\$2,731,124	\$5,462,248
50% increase (372,426,008 Shares)	Number of Shares issued	37,242,601	37,242,601	37,242,601
	Funds raised	\$2,048,343	\$4,096,686	\$8,193,372
100% increase (496,568,010 Shares)	Number of Shares issued	49,656,801	49,656,801	49,656,801
	Funds raised	\$2,731,124	\$5,462,248	\$10,924,496

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) the Company issues the maximum number of Shares available under the 10% Placement;
- (b) any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue;
- (c) the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (d) the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting; and
- (e) the share price is assumed to be \$0.11, being the closing Share price on 22 October 2021.

#### **4.7 Purpose of the 10% Placement**

The Company may seek to issue Shares under the 10% Placement for cash consideration, which must comply with the minimum issue price noted above, and which may be used for working capital or for other corporate purposes.

#### **4.8 Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- (a) the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- (b) the effect of the issue of the Shares on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

#### **4.9 Issues under ASX Listing Rule 7.1A**

The Company previously obtained approval to issue Equity Securities pursuant to ASX Listing Rule 7.1A at the annual general meeting held on 23 November 2020. Since that date, other than in respect of the Placement (as further detailed in Section 5), the Company has issued nil equity securities pursuant to ASX Listing Rule 7.1A.

Other than in respect of the Placement (as further detailed in Section 5), the Company has not issued any equity securities pursuant to ASX Listing Rule 7.1A.2 in the 12 months preceding the Meeting.

Pursuant to and in accordance with Listing Rule 7.3A.6, the following information is provided in relation to the Placement:

#### **Number and percentage of securities**

A total of 6,988,170 Placement Shares were issued pursuant to the Placement utilising the Company's issue capacity pursuant to Listing Rule 7.1A. These Placement Shares represent approximately 4.8% of the 146,487,133 Shares on issue as at 12 months prior to the date of the Meeting.

#### **The Sophisticated Investors**

The Placement Shares were issued to:

- (a) sophisticated investors as defined in section 708(8); and
- (b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager. Nb. Other than GAKS Investments Holdings Pty Ltd and Rokamaho Pty Ltd (neither of which is a related party of the Company; both of whom are substantial holders of Shares), none of the Sophisticated Investors are 'material investors' for the purposes of paragraph 7.2 of ASX Guidance Note 21.

#### **Number and class of securities issued or agreed to be issued**

The Company issued 6,988,170 Placement Shares to the Sophisticated Investors.

#### **The consideration for the issue of Placement Shares**

The issue of the 6,988,170 Placement Shares to the Sophisticated Investors resulted in the Company receiving \$0.13 per Placement Share issued, being a total of approximately \$908,462. This represented a discount of 10.34% to the closing market price of \$0.0.145 on the date of agreement to issue the Placement Shares being 12 October 2021.

#### **Use of consideration received for the issue of Placement Shares**

As at the date of this Notice, the Company has spent \$nil of the cash consideration of approximately \$908,462. The Company intends to use the remaining funds for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, as further detailed in Section 5.2.

#### **4.10 Voting exclusion**

A voting exclusion statement is not included in the Notice. At the date of finalisation of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to

participate in the issue of the Shares. No existing Shareholder's vote will therefore be excluded from voting on the Resolution.

#### **4.11 Previous approval**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting held on 23 November 2020.

#### **4.12 Recommendation**

As at the date of finalisation of this Notice, the Company has no plans to raise additional capital. However, many eligible companies seek this form of available shareholder approval to enable a capital raising to be implemented if appropriate during the following year. Accordingly, shareholder approval of this Resolution is considered to be a prudent approach. The Directors believe that this Resolution will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company.

The Board recommends that Shareholders vote in favour of Resolution 5.

### **5. Resolutions 6(a) and 6(b) – Ratification of the issue of Placement Shares**

#### **5.1 General**

On or about 13 October 2021 the Company announced that it intended to issue up to 38,461,539 Placement Shares to the Sophisticated Investors with a value of up to \$5,000,000, using its then-existing capacities under Listing Rules 7.1 and 7.1A as follows:

- (a) under Listing Rule 7.1, to issue 31,473,369 Placement Shares; and
- (b) under Listing Rule 7.1A, to issue 6,988,170 Placement Shares.

The Company seeks Shareholder approval to ratify the issue of the 38,461,539 Placement Shares to the Sophisticated Investors.

#### **5.2 Reasons for grant**

The issue of the 38,461,539 Placement Shares to the Sophisticated Investors provided funding to the Company to facilitate the advancement of the following activities:

- RÉDUIT marketing and sales initiatives, including:
  - Consumer engagement via enhanced marketing (influencer, key opinion leader (KOL) and media engagement); and
  - Execution of new B2B collaborations in new and existing jurisdictions;
- Development and launch of new devices, including:
  - Completion and launch of RÉDUIT Active Sunscreen and Boost Applicators;
- Global roll-out of SWISSWELL Lubricen pain patches, including:

- Initiation of marketing activities and engagement with potential collaborators; and
- Global licensing, ODM and OEM collaborations, including:
  - The continued progression of the Company's collaborations with global partners.

### **5.3 Purpose of approval**

Approval for the ratification of the issue of the 38,461,539 Placement Shares to the Sophisticated Investors is sought for the purposes of Listing Rule 7.4 and for all other purposes.

### **5.4 Listing Rule 7.4**

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

Listing Rule 7.1A provides that, an eligible listed entity may, subject to (inter alia) obtaining shareholder approval by way of special resolution at its annual general meeting, issue Shares comprising up to 10% of its issued share capital in addition to the normal 15% new issue capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that where an issue of securities made without shareholder approval under Listing Rules 7.1 or 7.1A is subsequently approved by shareholders (and the issue did not breach Listing Rules 7.1 or 7.1A), the issue of securities will be treated as having been made with approval for the purpose of Listing Rules 7.1 or 7.1A.

By Shareholders approving the ratification of the issue of equity securities, the Company will retain the flexibility to issue equity securities in the future up to:

- (a) the 15% annual placement capacity under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval; and
- (b) subject to the passing of Resolution 5, the additional 10% annual placement capacity under Listing Rule 7.1A without the further requirement to obtain Shareholder approval.

Except for the Placement, during the previous 12 months all issues of securities have been made in accordance with Listing Rule 7.1 and no securities have been issued by the Company under Listing Rule 7.1A.

### **5.5 Technical information required by Listing Rule 7.5**

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

#### **The Sophisticated Investors**

The Placement Shares were issued to:

- (a) sophisticated investors as defined in section 708(8); and
- (b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager. Nb. Other than GAKS Investments Holdings Pty Ltd and Rokamaho Pty Ltd (neither of which is a related party of the Company; both of whom are substantial holders of Shares), none of the Sophisticated Investors are 'material investors' for the purposes of paragraph 7.2 of ASX Guidance Note 21.

#### **Number and class of securities issued or agreed to be issued**

The Company has issued 38,461,539 Placement Shares to the Sophisticated Investors.

#### **Timing for the issue of Placement Shares**

The Company issued 38,461,539 Placement Shares to the Sophisticated Investors on or around 21 October 2021.

#### **The consideration for the issue of Placement Shares**

The issue of the 38,461,539 Placement Shares to the Sophisticated Investors resulted in the Company receiving \$0.13 per Placement Share issued, being a total of \$5,000,000.

#### **Purpose and intended use of funds received**

The proceeds from the planned issue of the Placement Shares and free-attaching New Options are intended to be used for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, as further detailed in Section 5.2.

#### **Voting exclusion statement**

A voting exclusion statement is included in the Notice for each relevant Resolution.

### **5.6 Technical information required for Listing Rule 14.1A**

If Resolutions 6(a) and 6(b) are passed, the Placement Shares issued to the Sophisticated Investors will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1 and its 10% issue capacity in Listing Rule 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue (or agreement to issue) of the Placement Shares.

If Resolutions 6(a) and 6(b) are not passed, the Placement Shares issued to the Sophisticated Investors will be included in the calculation of the Company's 15% issue capacity in Listing Rule 7.1 and its 10% issue capacity in Listing Rule 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue (or agreement to issue) of the Placement Shares.

## 5.7 Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 6(a) and 6(b).

## 6. Resolution 7 – Issue of free-attaching New Options to Sophisticated Investors

### 6.1 General

On or about 13 October 2021 the Company announced that it intended to issue up to 38,461,539 Placement Shares to the Sophisticated Investors with a value of up to \$5,000,000, and would seek shareholder approval to issue 1 free-attaching New Option for every 3 Placement Shares subscribed for.

The Company seeks Shareholder approval to issue up to 12,820,513 free-attaching New Options to the Sophisticated Investors.

### 6.2 Reasons for grant

The Board considers the issue of Placement Shares and free-attaching New Options to the Sophisticated Investors would provide funding to the Company to be used for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, as further detailed in Section 5.2.

### 6.3 Purpose of approval

Approval for the issue of the free-attaching New Options is sought for the purposes of Listing Rule 7.1 and for all other purposes.

### 6.4 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

### 6.5 Technical information required by Listing Rule 7.3

The free-attaching New Options to be issued pursuant to Resolution 7 are intended to be issued following approval of Shareholders pursuant to Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders:

#### **The Sophisticated Investors**

The free-attaching New Options will be issued to subscribers for the Placement Shares who are:

- (a) sophisticated investors as defined in section 708(8); and
- (b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager. Nb. Other than GAKS Investments Holdings Pty Ltd and Rokamaho Pty Ltd (neither of which is a related party of the Company; both of whom are substantial holders of Shares), none of the Sophisticated Investors are 'material investors' for the purposes of paragraph 7.2 of ASX Guidance Note 21.

#### **Maximum number of free-attaching New Options that may be issued**

The maximum total number of free-attaching New Options to be issued in accordance with Resolution 7 is 12,820,513.

#### **Terms of the free-attaching New Options**

The free-attaching New Options are to have the terms set out in Schedule 1.

#### **Timing for the issue of the free-attaching New Options**

The free-attaching New Options will be issued no later than 3 months after the date of the Meeting.

#### **The consideration for the issue of the free-attaching New Options**

The free-attaching New Options are being issued as part of the Placement, however the free-attaching New Options are being issued for a nil issue price.

#### **Purpose and intended use of funds received**

There will be no proceeds from the planned issue of the free-attaching New Options.

#### **Voting exclusion statement**

A voting exclusion statement is included in the Notice for each relevant Resolution.

### **6.6 Technical information required for Listing Rule 14.1A**

If Resolution 7 is passed, the free-attaching New Options to be issued to the Sophisticated Investors will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the free-attaching New Options.

If Resolution 7 is not passed, the free-attaching New Options to be issued to the Sophisticated Investors (up to the Company's 15% issue capacity in Listing Rule 7.1) will be included in the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the free-attaching New Options.

### **6.7 Recommendations**

The Board recommends that Shareholders vote in favour of Resolution 7.

## **7. Resolution 8 – Issue of New Options to the Lead Manager**

### **7.1 General**

On or about 13 October 2021 the Company announced that it intended to issue up to 38,461,539 Placement Shares to the Sophisticated Investors with a value of up to \$5,000,000, and would seek shareholder approval to issue 1 free-attaching New Option for every 3 Placement Shares subscribed for. As part of the proposed capital raising, the Company agreed to issue:

(a) 2 New Options, at a cost of \$0.0001 per New Option, for every \$1 raised under the Placement; and

(b) 10,000,000 New Options, at a cost of \$0.0001 per New Option,

to the Lead Manager.

The Company seeks Shareholder approval to issue of up to 20,000,000 New Options to the Lead Manager (or its nominees).

### **7.2 Reasons for grant**

The Board considers the issue of New Options to the Lead Manager would facilitate the Placement which will provide funding to the Company to be used for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, as further detailed in Section 5.2.

### **7.3 Purpose of approval**

Approval for the issue of the free-attaching New Options is sought for the purposes of Listing Rule 7.1 and for all other purposes.

### **7.4 Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period without shareholder approval.

### **7.5 Technical information required by Listing Rule 7.3**

The New Options to be issued pursuant to Resolution 8 are intended to be issued following approval of Shareholders pursuant to Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders:

#### **The Lead Manager**

The New Options will be issued to the Lead Manager or its nominees.

### **Maximum number of New Options that may be issued**

The maximum total number of New Options to be issued in accordance with Resolution 8 is 20,000,000.

### **Terms of the New Options**

The New Options are to have the terms set out in Schedule 1.

### **Timing for the issue of the New Options**

The New Options will be issued no later than 3 months after the date of the Meeting.

### **The consideration for the issue of the New Options**

The issue of the New Options will result in the Company receiving up to \$2,000.

### **Purpose and intended use of funds received**

The proceeds from the planned issue of the New Options are intended to be used for RÉDUIT marketing and sales initiatives, development and launch of new devices, Global roll-out of SWISSWELL Lubricen pain patches, and Global licensing, ODM and OEM collaborations, as further detailed in Section 5.2.

### **Material terms of the agreement pursuant to which the New Options are being issued**

The New Options are to be issued in accordance an agreement with the Lead Manager, the material terms of which are set out at Schedule 2.

### **Voting exclusion statement**

A voting exclusion statement is included in the Notice for each relevant Resolution.

## **7.6 Technical information required for Listing Rule 14.1A**

If Resolution 8 is passed, the New Options to be issued to the Lead Manager will be excluded from the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the New Options.

If Resolution 8 is not passed, the New Options to be issued to the Lead Manager (up to the Company's 15% issue capacity in Listing Rule 7.1) will be included in the calculation of the Company's 15% issue capacity in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the New Options.

## **7.7 Recommendations**

The Board recommends that Shareholders vote in favour of Resolution 8.

## **8. Resolution 9 – Spill resolution (conditional resolution)**

### **8.1 General**

As referred to in Section 2.1, if at least 25% of the votes cast in respect of the adoption of the Remuneration Report are against the adoption of that report, the 'spill resolution' (as defined in Section 2.1) will be put to the Meeting.

If less than 25% of the votes cast in respect of the adoption of the Remuneration Report are against the adoption of that report, the spill resolution will be withdrawn and not be put to the Meeting.

If the spill resolution is put to the Meeting and passed, the Company will be required to hold the 'spill meeting' (as defined in Section 2.1) within 90 days after the spill resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed or otherwise (excluding the Managing Director of the Company who may, in accordance with the Listing Rules, continue to hold office) cease to hold office immediately before the end of the spill meeting and may stand for re-election at the spill meeting.<sup>3</sup>

Shareholders will be able to put forward their own nominees for consideration at the spill meeting.

The vote on Resolution 9 will be by way of poll, if it is required to be put to the Meeting.

### **8.2 Board comment and recommendation**

Shareholders should be aware that if a spill meeting is required to be convened, this will result in the Company incurring material additional expense in conducting a meeting as well as potential disruption to the running of the Company as a result of management distraction, the logistics involved in organising the spill meeting and the diversion of resources. This course of action should therefore be considered carefully by Shareholders.

Further, Shareholders should note that, although voting exclusions apply in respect of the spill resolution (as set out in the Notice):

- (a) there are no voting exclusions applicable to the resolutions appointing Directors at the subsequent spill meeting. Accordingly there is no barrier for the existing major Shareholders exercising their voting rights to support the reappointment of the existing Directors at the subsequent spill meeting; and
- (b) if the spill resolution is passed, each of the outgoing Directors intends to stand for re-election at the spill meeting and to vote their own shares in support of their re-appointment.

The Board unanimously recommends that Shareholders vote against Resolution 9, if it is required to be put to the Meeting.

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<sup>3</sup> Assuming that Resolutions 2, 3 and 4 are passed at the Meeting.

The Chair of the Meeting intends to vote all undirected proxies against Resolution 9, if it is required to be put to the Meeting.

## 9. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

## 10. Glossary

\$ means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Board** means the board of Directors.

**Chairperson** means the person appointed to chair the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is on the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of this definition.

**Company** means Wellfully Limited (ACN 056 482 636)

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement attached to the Notice.

**Financial Statements** means the financial reports, directors' declaration and reports, and the auditor's report for the Company.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lead Manager** means CPS Capital Group Pty Ltd (ACN 088 055 636).

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the annual general meeting the subject of this Notice.

**New Option** means an option which entitles the holder to subscribe for 1 Share, on the terms set out at Schedule 1.

**Non-executive Director** means a non-executive Director of the Company.

**Notice** means this notice of meeting.

**Placement** means the placement to Sophisticated Investors being conducted by the Company to raise approximately \$5,000,000 at a price per Share of \$0.13.

**Placement Share** means a Share to be issued in the Placement.

**Resolution** means a resolution contained in the Notice.

**Section** means a section contained in this Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Sophisticated Investors** means:

(a) sophisticated investors as defined in section 708(8); and

(b) professional investors as defined in section 708(11),

of the Corporations Act, being clients of the Lead Manager.

**VWAP** means volume weighted average price.

In this Notice, words importing the singular include the plural and vice versa.

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## Schedule 1 – New Option Terms

An Option entitles the holder to subscribe for an ordinary share (**Share**) in Wellfully Limited (ACN 056 482 636) (**Company**) on the terms and conditions set out below.

**(a) Entitlement**

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

**(b) Expiry Date**

Each Option will expire at 5.00pm (Perth time) on the date that is 2 years from the date the Option is issued (**Expiry Date**).

**(c) Exercise Price**

Each Option will have an exercise price of \$0.20 (**Exercise Price**).

**(d) Exercise period and lapsing**

Subject to clause **Error! Reference source not found.**, Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

**(e) Exercise Notice and payment**

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

**(f) Timing of issue of Shares on exercise**

Within 15 days that are not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia (**Business Days**) after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(g) Shares issued on exercise**

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

**(h) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

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

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

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

**(j) Adjustment for rights issue**

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

**(k) Adjustments for reorganisation**

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

**(l) Quotation of Options**

The Company will apply for quotation of the Options to ASX Limited. In the event that quotation of the Options cannot be obtained, the Options will remain unlisted.

**(m) Transferability**

The Options are freely transferable subject to any restriction or escrow arrangements imposed by ASX Limited or under any applicable Australian securities laws.

## Schedule 2 – Summary of the Lead Manager Agreement

In accordance an agreement between the Company and the Lead Manager dated on or about 10 October 2021 (**Lead Manager Agreement**), the Lead Manager has agreed to act as lead manager and broker for the purposes of the Placement and the issue of free-attaching New Options.

Under the Lead Manager Agreement, the Lead Manager has agreed to, inter alia, assist on a best endeavours basis to facilitate the Placement.

In consideration for the provision of the services, the Company must pay Lead Manager the following fees:

- (a) 2% plus GST on all funds raised under the Placement;
- (b) 4% plus GST on all funds raised under the Placement, noting that any funds received in the placement introduced by the company, eg. Directors allocations, are exempt from this fee;
- (c) 10 million New Options at \$0.0001 per option (or to its nominee);
- (d) 2 New Options at \$0.0001 per option for every \$1 raised under the Placement (or to its nominee); and
- (e) a corporate advisory fee of \$5,000 plus GST per month for 12 months.

The Lead Manager Agreement contains other terms and conditions considered standard for an agreement of its nature. The Lead Manager is not a related party of the Company.

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 29 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

#### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

