

HERAMED LIMITED

ACN 626 295 314

NOTICE OF EXTRAORDINARY GENERAL MEETING

and

EXPLANATORY STATEMENT

Notice is given that the Meeting will be held at:

TIME: 3.00p.m. (Sydney Time)

DATE: Wednesday, 19 February 2020

PLACE: the offices of Automic Group, Level 5, 126 Phillip Street, Sydney NSW

The business of the Meeting affects your shareholding and requires your immediate attention. Your vote is important.

The matters raised in this document will affect your shareholding in the Company. This document of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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 7.00 p.m. (Sydney Time) on Monday, 17 February 2020.

For personal use only

NOTICE OF EXTRAORDINARY GENERAL MEETING

HeraMED Limited ACN 626 295 314

SECTION 1: TIME AND PLACE OF MEETING

NOTICE is hereby given that an Extraordinary General Meeting of the shareholders of HeraMED Limited ACN 626 295 314 (**Company**) will be held at the following time and location, and will conduct the business specified in Section 3 below:

Date: Wednesday, 19 February 2020

Time: 3.00p.m. (Sydney Time)

Location: the offices of Automic Group, Level 5, 126 Phillip Street, Sydney NSW

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

SECTION 2: DIRECTIONS REGARDING MEETING

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, please attend the Meeting on the date, time and place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Document as soon as possible and either send, deliver, courier or mail the duly completed Proxy Form:

- to the Share Registry:
 - by mail to: Automic, GPO Box 5193, Sydney NSW 2001

- in person to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- by email to: meetings@automicgroup.com.au; or
- by facsimile to: +61 2 8583 3040; or
- online at <https://investor.automic.com.au/#/loginsah>

so that it is received **no later than 3.00p.m. (Sydney Time) on Monday, 17 February 2020.**

Complete details on how to vote by proxy are set out on the front of your Proxy Form, that accompanies this Document.

Please read this Document carefully and in its entirety, determine how you wish to vote in relation to each of the Resolutions and then cast your vote accordingly, either in person or by proxy.

If you do not understand any part of this Document, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

Determination of Membership and Voting Entitlement for the Purpose of the Meeting

For the purpose of determining a person's entitlement to attend and vote at the Meeting, a person will be recognised as a Shareholder if that person is registered as a holder of Shares at **7.00 p.m. (Sydney Time) on Monday, 17 February 2020.** The Board has determined that the Shares on issue at that time will be taken, for the purposes of the Meeting, to be duly held by the person or persons who are registered as the holder or holders of those Shares in the Share Registry, at that time. Accordingly, transfers of Shares registered after that time and date will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

A Shareholder entitled to attend and vote at the Meeting pursuant to the Constitution, is entitled to appoint one or more proxies (provided that more than one proxy is not appointed to exercise the rights attached to a particular Share held by the Shareholder). Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

A proxy need not be a Shareholder.

Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the Chair.

The instrument appointing a proxy, as well as any power of attorney (or a certified copy thereof) under which a proxy is appointed, must be received by the Company or the Share Registry by no later than **3.00p.m. (Sydney Time) on Monday, 17 February 2020,** in accordance with the instructions provided on the front of the Proxy Form.

The instrument of appointment of a proxy must be executed by the appointor or its duly authorised representative. The Proxy Form which accompanies this Notice may be used to appoint a proxy for the purposes of the Meeting.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Undirected Proxy Votes

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution in respect of which that proxy was given.

Corporate representative

A Shareholder that is a company and that wishes to appoint a person to act as its representative at the Meeting may do so in the same manner as that in which it could appoint a proxy.

If you wish to discuss any of the matters in this Notice of Meeting or Explanatory Statement, please contact the Company Secretary on +61 8 6189 1155 during business hours.

SECTION 3: AGENDA

1. RESOLUTION 1A – RATIFICATION OF ISSUE OF DEFERRED CONSIDERATION SHARES TO TWENTY 1 CORPORATE PTY LTD

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, the Shareholders ratify the issue of 487,500 Deferred Consideration Shares to Twenty 1 Corporate Pty Ltd ACN 614 272 230 and/or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 1A by or on behalf of:

- any person who participated in the issue of any of the Deferred Consideration Shares that are the subject of Resolution 1A; or
- an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 1A by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1A, in accordance with the directions given to the proxy or attorney to vote on Resolution 1A in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1A, in accordance with the direction given to the chair to vote on Resolution 1A as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1A; and
- (ii) the holder votes on Resolution 1A in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 1B – RATIFICATION OF ISSUE OF DEFERRED CONSIDERATION SHARES TO ZAZA INVESTMENTS PTY LTD

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, the Shareholders ratify the issue of 487,500 Deferred Consideration Shares to Zaza Investments Pty Ltd ACN 613 660 067 and/or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 1B by or on behalf of:

- (a) any person who participated in the issue of any of the Deferred Consideration Shares that are the subject of Resolution 1B; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 1B by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 1B, in accordance with the directions given to the proxy or attorney to vote on Resolution 1B in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1B, in accordance with the direction given to the chair to vote on Resolution 1B as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1B; and
 - (ii) the holder votes on Resolution 1B in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 2 – RATIFICATION OF ISSUE OF OPTIONS TO EMPLOYEES AND SERVICE PROVIDERS

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, the Shareholders ratify the issue of an aggregate of 1,799,000 Options being constituted by:

- (i) 1,200,000 Options (each a **Class 1 Option**);*
- (ii) 25,000 Options (each a **Class 2 Option**); and*
- (iii) 574,000 Options (each a **Class 3 Option**),*

the terms and conditions of which, and the persons to whom they were issued, being referred to more particularly in Paragraph 2 of the Explanatory Statement, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- (a) any person who participated in the issue of any of the Options that are the subject of Resolution 2; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the direction given to the chair to vote on Resolution 2 as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - (ii) the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 3A – RATIFICATION OF ISSUE OF OPTIONS TO PRENZLER GROUP PTY LTD

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, the Shareholders ratify the issue of 1,500,000 Options to Prenzler Group Pty Ltd or its nominee(s) (each a **Class 4 Option**) , and otherwise on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 3A by or on behalf of:

- (a) any person who participated in the issue of any of the Options that are the subject of Resolution 3A; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 3A by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3A, in accordance with the directions given to the proxy or attorney to vote on Resolution 3A in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3A, in accordance with the direction given to the chair to vote on Resolution 3A as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3A; and
 - (ii) the holder votes on Resolution 3A in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 3B – RATIFICATION OF ISSUE OF OPTIONS TO RATDOG PTY LTD

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, the Shareholders ratify the issue of 500,000 Class 4 Options to Ratdog Pty Ltd or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 3B by or on behalf of:

- (a) any person who participated in the issue of any of the Options that are the subject of Resolution 3B; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 3B by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3B, in accordance with the directions given to the proxy or attorney to vote on Resolution 3B in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 3B, in accordance with the direction given to the chair to vote on Resolution 3B as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3B; and
 - (ii) the holder votes on Resolution 3B in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 4 – 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, the Shareholders ratify the issue of an aggregate of 9,184,076 Shares to the persons more particularly referred to in Paragraph 4 of the Explanatory Statement, and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) any person who participated in the issue of any of the Placement Shares that are the subject of Resolution 4; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the direction given to the chair to vote on Resolution 4 as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 5A – APPROVAL OF ISSUE OF PLACEMENT OPTIONS TO TWENTY 1 CORPORATE PTY LTD

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, the Shareholders approve the issue of 1,125,000 Placement Options to Twenty 1 Corporate Pty Ltd or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 5A by or on behalf of:

- (a) Twenty 1 Corporate Pty Ltd or any nominee of Twenty 1 Corporate Pty Ltd who participated in the issue of any of the Placement Options that are the subject of Resolution 5A; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 5A by:

- (a) Twenty 1 Corporate Pty Ltd or any nominee of Twenty 1 Corporate Pty Ltd as proxy or attorney for a person who is entitled to vote on Resolution 5A, in accordance with the direction given to the proxy or attorney to vote on Resolution 5A in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5A, in accordance with the direction given to the chair to vote on Resolution 5A as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5A; and
 - (ii) the holder votes on Resolution 5A in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 5B – APPROVAL OF ISSUE OF PLACEMENT OPTIONS TO ETHELL CAPITAL LIMITED

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, the Shareholders approve the issue of 1,125,000 Placement Options to Etchell Capital Limited or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 5B by or on behalf of:

- (a) Etchell Capital Limited or any nominee of Etchell Capital Limited who is expected to participate in the issue of any of the Placement Options that are the subject of Resolution 5B; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 5B by:

- (a) Etchell Capital Limited or any nominee of Etchell Capital Limited as proxy or attorney for a person who is entitled to vote on Resolution 5B, in accordance with the direction given to the proxy or attorney to vote on Resolution 5B in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5B, in accordance with the direction given to the chair to vote on Resolution 5B as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5B; and
 - (ii) the holder votes on Resolution 5B in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 6 – APPROVAL OF ISSUE OF SERVICE PROVIDER SHARES TO S3 CONSORTIUM PTY LTD

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, the Shareholders approve the issue of 500,000 Shares to S3 Consortium Pty Limited or its nominee(s), and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) S3 Consortium Pty Ltd or any nominee of S3 Consortium Pty Ltd who is expected to participate in the issue of any of the Placement Options that are the subject of Resolution 6; or
- (b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) S3 Consortium Pty Ltd or any nominee of S3 Consortium Pty Ltd as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the direction given to the proxy or attorney to vote on Resolution 6 in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the direction given to the chair to vote on Resolution 6 as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6; and
 - (ii) the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 20 January 2020

By order of the Board



**Stephen Buckley
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass any or all of the Resolutions.

BACKGROUND TO LISTING RULES APPLICABLE TO RESOLUTIONS

Listing Rule 7.1

Listing Rule 7.1, commonly referred to as the "**15% rule**", limits the capacity of an ASX-listed company to issue securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the company 12 months prior to the proposed date of issue or agreement to issue (but excluding any shares issued in reliance on the 15% rule in that 12 month period), unless the issue or agreement to issue is approved by shareholders or otherwise comes within one of the exceptions to Listing Rule 7.1.

In the event that a resolution that is required to be approved in accordance with the requirements of Listing Rule 7.1 is so approved (each an **Approved 7.1 Resolution**), the Company's ability to issue further Equity Securities under the 15% Rule or otherwise under the terms of the Listing Rules, will not be decreased as a result of the issue of any Equity Securities pursuant to an Approved 7.1 Resolution.

In the event that a resolution that is required to be approved in accordance with the requirements of Listing Rule 7.1 is not so approved (each a **Disapproved 7.1 Resolution**), the Company will during the next 12 month period and in the absence of specific Shareholder approval being granted at the relevant time, have its ability to issue further Equity Securities under the 15% Rule or otherwise under the terms of the Listing Rules, decreased by the number of Equity Securities that are the subject of a Disapproved 7.1 Resolution.

Listing Rule 7.4

A company in general meeting can ratify, by passage of an ordinary resolution, an issue of Equity Securities made in the preceding 12 months without shareholder approval in compliance with the 15% rule, so as to reverse the "depletion" of the company's capacity to issue Equity Securities without shareholder approval under 15% rule resulting from that previous issue.

Listing Rule 7.4, known as the "**subsequent approval**" rule, validates an issue of Equity Securities made without shareholder approval under Listing Rule 7.1 as if it had been made with shareholder approval for the purposes of Listing Rule 7.1 if both of the following criteria are satisfied, namely:

- (i) the issue was not made in breach of Listing Rule 7.1; and
- (ii) the holders of ordinary securities in the company subsequently approve that issue.

In the event that a resolution that is required to be approved in accordance with the requirements of Listing Rule 7.4 is so approved (each an **Approved 7.4 Resolution**), the Company's ability to issue further Equity Securities under the 15% Rule or otherwise under the terms of the Listing Rules will not be decreased as a result of the issue of any Equity Securities pursuant to an Approved 7.4 Resolution.

In the event that a resolution that is required to be approved in accordance with the requirements of Listing Rule 7.4 is not so approved (each a **Disapproved 7.4 Resolution**), the Company will during the next 12 month period and in the absence of specific Shareholder approval being granted at the relevant time, either:

- (i) have its ability to issue further Equity Securities decreased by the number of Equity Securities that were issued pursuant to a Disapproved 7.4 Resolution; or
- (ii) be required to redeem and cancel some or all of the number of Equity Securities that were issued pursuant to a Disapproved 7.4 Resolution, depending on the extent, if any, by which that number exceeds the capacity of the Company to issue further Equity Securities under the 15% Rule or otherwise under the terms of the Listing Rules.

2. RESOLUTION 1A AND RESOLUTION 1B - RATIFICATION OF ISSUE OF DEFERRED CONSIDERATION SHARES TO TWENTY 1 CORPORATE PTY LTD AND ZAZA INVESTMENTS PTY LTD

As announced by the Company on 18 November, 2019, the Company received the approval of the Federal Drug Agency of the United States (**FDA**) for HeraBEAT to be used as a clinical medical device in the United States. FDA Approval was received before the first anniversary of the date upon which the Company was first admitted to the Official List – namely 10 December, 2018 (**Admission Date**). Consequently, as disclosed in section 3.8 of the Supplementary Prospectus, which varied section 7.2(a)(iv)(A) of the Prospectus, the Company thereupon became obliged to issue - and has consequently issued - a total of 487,500 Shares to each of Twenty 1 Corporate Pty Ltd ACN 614 272 230 and Zaza Investments Pty Ltd ACN 613 660 067, and/or their respective nominees (each a **Resolution 1 Allottee**).

In accordance with the disclosure requirements of ASX Listing Rule 7.5, the Company advises as follows:

- (A) **Size of Issue** – an aggregate of 487,500 Deferred Consideration Shares were issued to each of Twenty 1 Corporate Pty Ltd ACN 614 272 230 or its nominee and Zaza Investments Pty Ltd ACN 613 660 or its nominee.
- (B) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of the Deferred Consideration Shares referred to in Paragraph (A). All Deferred Consideration Shares that are subject of Resolution 1A and Resolution 1B were issued in accordance with the Mandate that the Company entered into with the Resolution 1 Allottees. The terms and conditions of that Mandate are as stated in section 3.8 of the Supplementary Prospectus and section 7.2 of the Prospectus. The Deferred Consideration Shares were issued as part of the consideration payable to the Resolution 1 Allottees for the provision of their services in connection with the initial public offering of the Company and for services that the Resolution 1 Allottees have provided after completion of that offering.
- (C) **Terms of Deferred Consideration Shares** – the terms of the Deferred Consideration Shares are identical to the terms of issue of all other Shares and each Deferred Consideration Share will rank equally with all other Shares.
- (D) **Date of issue** – all Deferred Consideration Shares that are subject of Resolution 1A and Resolution 1B were issued on 28 November 2019.

- (E) **Allottees** – each Resolution 1 Allottee of the Deferred Consideration Shares is named above in this Paragraph 1.
- (F) **Funds Raised** – as stated in sub-paragraph (B) above, no funds have been raised as a result of the issue of the Deferred Consideration Shares that are subject of Resolution 1.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF OPTIONS TO EMPLOYEES AND SERVICE PROVIDERS

The Company has issued:

- (i) 1,200,000 Class 1 Options to employees and consultants, subject to the terms of the Company's 2019 Employee Incentive Plan (Israeli Appendix) which is yet to be approved by shareholders (**Israeli Sub-Plan**);
- (ii) 25,000 Class 2 Options to employees, subject to the terms of the Israeli Sub-Plan; and
- (iii) 574,000 Class 3 Options to the Chief Financial Officer, subject to the terms of the Israeli Sub-Plan and pursuant to the CFO Agreement dated 1 July 2018 as disclosed in section 7.8 of the Supplementary Prospectus.

Each of the above stated recipients of Class 1 Options, Class 2 Options or Class 3 Options is hereafter referred to as a **Resolution 2 Allottee**.

In accordance with the disclosure requirements of ASX Listing Rule 7.5, the Company advises as follows:

- (A) In respect of the Class 1 Options:
- (i) **Size of Issue** – an aggregate of 1,200,000 Class 1 Options the subject of Resolution 2 were issued to the Resolution 2 Allottees, as referred to in this Paragraph 2;
- (ii) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Class 1 Options referred to in Paragraph (A)(i). All Class 1 Options that are subject of Resolution 2 were issued as an incentive to employee(s) and consultants under the terms of the Israeli Sub-Plan;
- (iii) **Terms of Class 1 Options** – the terms of the Class 1 Options are:
- (I) Term: expiring 15 August 2024;
- (II) Exercise Price per Class 1 Option: A\$0.165, payable in full upon exercise;
- (III) Exercise ratio: one Share for each Class 1 Option validly exercised; and
- (IV) Vesting: vesting over three years on a quarterly basis (i.e. 8.33% a quarter) starting on 15 August, 2019.

- (B) In respect of the Class 2 Options:
- (i) **Size of Issue** – an aggregate of 25,000 Class 2 Options the subject of Resolution 2 were issued to the Resolution 2 Allottees, as referred to in this Paragraph 2;
 - (ii) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Class 2 Options referred to in Paragraph (B)(i). All Class 2 Options that are subject of Resolution 2 were issued as an incentive to employee(s) under the terms of the Israeli Sub-Plan;
 - (iii) **Terms of Class 2 Options** – the terms of the Class 2 Options are:
 - (I) Term: expiring 15 August 2024;
 - (II) Exercise Price per Class 2 Option: A\$0.165, payable in full upon exercise;
 - (III) Exercise ratio: one Share for each Class 2 Option validly exercised; and
 - (IV) Vesting: vesting was subject to FDA Approval being granted before 30 November 2019, and accordingly are all now fully vested.
- (C) In respect of the Class 3 Options:
- (i) **Size of Issue** – an aggregate of 574,000 Class 3 Options the subject of Resolution 2 were issued to the Resolution 2 Allottees, as referred to in this Paragraph 2;
 - (ii) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Class 3 Options referred to in Paragraph (C)(i). All Class 3 Options that are subject of Resolution 2 were issued pursuant to the CFO Agreement dated 1 July 2018 as disclosed in section 7.8 of the Supplementary Prospectus;
 - (iii) **Terms of Class 3 Options** – the terms of the Class 3 Options are:
 - (I) Term: expiring 15 August 2024;
 - (II) Exercise Price per Class 3 Option: US\$0.01, payable in full upon exercise;
 - (III) Exercise ratio: one Share for each Class 3 Option validly exercised; and
 - (IV) Vesting: vesting over three years on a quarterly basis (i.e. 8.33% a quarter) starting on 1 July 2018.
- (D) **Date of issue** – all of the Class 1 Options, Class 2 Options and Class 3 Options that are subject of Resolution 2 were issued on 5 November 2019.
- (E) **Allottees** – the basis on which each Resolution 2 Allottee was identified or selected is stated above in this Paragraph 2.

- (F) **Funds Raised** – if all of the Class 1 Options, the Class 2 Options and the Class 3 Options are duly exercised in accordance with their respective terms, it is expected that the Company will:
- (i) receive approximately \$300,000 that will be applied towards the Company's ongoing working capital requirements; and
 - (ii) issue an aggregate of 1,799,000 Shares to the holders of those Class 1 Options, Class 2 Options and Class 3 Options.

3. RESOLUTION 3A AND RESOLUTION 3B – RATIFICATION OF ISSUE OF OPTIONS TO PRENZLER GROUP PTY LTD AND RATDOG PTY LTD

On 28 August 2019, the Company issued 1,500,000 Class 4 Options to Prenzler Group Pty Ltd or its nominee(s) and 500,000 Class 4 Options to Ratdog Pty Ltd or its nominee(s), none of whom were related parties, as consideration for investor relations initiatives and services provided pursuant to service agreements dated 22 August 2019.

Each of the above stated recipients of Class 4 Options is hereafter referred to as a **Resolution 3 Allottee**.

In accordance with the disclosure requirements of ASX Listing Rule 7.5, the Company advises as follows in respect of the Class 4 Options:

- (A) **Size of Issue** – an aggregate of 2,000,000 Class 4 Options the subject of Resolution 3A and Resolution 3B were issued to the Resolution 3 Allottees, as referred to above in this Paragraph 3.
- (B) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Class 4 Options referred to in Paragraph (A). All Class 4 Options that are subject of Resolution 3A and Resolution 3B were issued to the Resolution 3 Allottees as consideration for services provided pursuant to service agreements.
- (C) **Terms of Class 4 Options** – the terms of the Class 4 Options are:
 - (i) Term: expiring 31 December 2021;
 - (ii) Exercise Price per Class 4 Option: A\$0.25, payable in full upon exercise;
 - (iii) Exercise ratio: one Share for each Class 4 Option validly exercised; and
 - (iv) Vesting: all Class 4 Options are fully vested.
- (D) **Date of issue** – all Class 4 Options that are subject of Resolution 3A and Resolution 3B were issued on 28 August 2019.
- (E) **Allottees** – each Resolution 3 Allottee is as referred to above in this Paragraph 3.
- (F) **Funds Raised** – if all of the Class 4 Options are duly exercised in accordance with their respective terms, it is expected that the Company will:

- (i) receive approximately \$500,000 that will be applied for the Company's ongoing working capital requirements; and
- (ii) issue an aggregate of 2,000,000 Shares to the holders of those Class 4 Options.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF PLACEMENT SHARES

On 17 December 2019, the Company issued 9,184,076 Placement Shares to over sixty sophisticated and institutional investors to raise approximately A\$1,423,000 (before costs), none of whom were related parties of the Company.

Each of the above stated recipients of Placement Shares is hereafter referred to as a **Resolution 4 Allottee**.

Details of the issue of the Placement Shares were announced by the Company on 10 December, 2019. As stated in that announcement, the issue of Placement Shares was effected for the purpose of assisting the Company to:

- (i) progress business development initiatives and strategic planning ahead of the Company's imminent entry into the United States market;
- (ii) increase the Company's focus on expanding partnerships with top-tier medical organisations and progress agreements with insurance companies throughout the United States with the aim of driving product uptake through these channels;
- (iii) expedite pilot and clinical trials in the United States for the Company's digital monitoring platform, HeraCARE and its recently FDA-approved medical grade foetal heart rate doppler, HeraBEAT;
- (iv) continue the development of its intellectual property suite and new technologies including OrionAI and the second-generation foetal heart rate monitor, EchoBEAT; and
- (v) support the rollout and adoption of the Company's solutions in Germany, India, Brazil and other key markets,

(collectively **Proposed Applications of Placement Funds**).

In accordance with the disclosure requirements of ASX Listing Rule 7.5, the Company advises as follows in respect of the Class 4 Options:

- (A) **Size of Issue** – an aggregate of 9,184,076 Placement Shares the subject of Resolution 4 were issued to the Resolution 4 Allottees, as referred to in this Paragraph 4.
- (B) **Issue Price** – \$0.155 per Placement Share.
- (C) **Terms of Placement Shares** – the terms of the Placement Shares are identical to the terms of issue of all other Shares and each Placement Share will rank equally with all other Shares.
- (D) **Date of issue** – all Placement Shares that are subject of Resolution 4 were issued on 17 December 2019.
- (E) **Allottees** – each Resolution 4 Allottee was either a sophisticated or institutional investor as named above in this Paragraph 4.

- (F) **Funds Raised** – the Company has received approximately \$1,423,000 as a result of the issue of the Placement Shares that are the subject of Resolution 4.

5. **RESOLUTION 5A AND RESOLUTION 5B – APPROVAL OF ISSUE OF PLACEMENT OPTIONS TO TWENTY 1 CORPORATE PTY LTD AND ETHELL CAPITAL LIMITED**

The Company proposes, subject Shareholders approving Resolution 5A and Resolution 5B, to issue 1,125,000 Placement Options to each of Twenty 1 Corporate Pty Ltd and Etchell Capital Limited or their nominee(s).

As announced on 10 December 2019, the Company appointed Twenty 1 Corporate Pty Ltd as lead manager and book runner and Etchell Capital Limited as Corporate Advisor in connection with the Placement.

Pursuant to the Company's mandate with Twenty 1 Corporate Pty Ltd and Etchell Capital Limited dated 6 December 2019, the Company agreed to issue Placement Options in part consideration for services provided by Twenty 1 Corporate Pty Ltd and Etchell Capital Limited. The proposed issue of the Placement Options will be in addition to the payment by the Company to Twenty 1 Corporate Pty Ltd and Etchell Capital Limited of capital raising fees of 6% of funds received in connection with the placement in December, 2019.

Each of the above stated recipients of Placement Options is hereafter referred to as a **Resolution 5 Allottee**.

In accordance with the disclosure requirements of ASX Listing Rule 7.3, the Company advises as follows in respect of the Placement Options:

- (A) **Maximum Size of Issue** – an aggregate of 2,250,000 Placement Options the subject of Resolution 5A and Resolution 5B are proposed to be issued to the Resolution 5 Allottees, as referred to above in this Paragraph 5.
- (B) **Date of issue** - subject to Shareholders approving:
- (i) Resolution 5A, all 1,125,000 Placement Options the subject of Resolution 5A will be issued to Twenty 1 Corporate Pty Ltd or its nominee(s); and
 - (ii) Resolution 5B, all 1,125,000 Placement Options the subject of Resolution 5B will be issued to Etchell Capital Limited or its nominee(s),

promptly after the close of the Meeting, and in any event prior to the expiry of 3 months after the date of the Meeting.

- (C) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Placement Options referred to in Paragraph (A). The Placement Options the subject of Resolution 5A and Resolution 5B are proposed to be issued to the Resolution 5 Allottees in consideration for the provision of professional services by those Resolution 5 Allottees in connection with the issue of the Placement Shares.
- (D) **Persons to whom the Placement Options will be issued** – the Resolution 5 Allottees, as referred to above in this Paragraph 5.

- (E) **Terms of Placement Options** – the terms of the Placement Options are:
- (i) Term: expiring two years after the date of issue;
 - (ii) Exercise Price per Placement Option: A\$0.25, payable in full upon exercise;
 - (iii) Exercise ratio: one Share for each Placement Option validly exercised; and
 - (iv) Vesting: the Placement Options are fully vested upon being issued.
- (F) **Intended use of Funds Raised** – see the Proposed Applications of Placement Funds as stated in Paragraph 4 above.

6. RESOLUTION 6 – APPROVAL OF ISSUE OF SERVICE PROVIDER SHARES TO S3 CONSORTIUM PTY LTD

The Company proposes, subject Shareholders approving Resolution 6, to issue 500,000 Shares (each a **Service Provider Share**) to S3 Consortium Pty Limited or its nominee(s) (hereafter referred to as the **Resolution 6 Allottee**).

In accordance with the disclosure requirements of ASX Listing Rule 7.3, the Company advises as follows in respect of the Service Provider Shares:

- (A) **Maximum Size of Issue** – a total of 500,000 Service Provider Shares the subject of Resolution 6 are proposed to be issued to the Resolution 6 Allottee.
- (B) **Date of issue** - subject to Shareholders approving Resolution 6, all Service Provider Shares will be issued to the Resolution 6 Allottee, promptly after the close of the Meeting, and in any event prior to the expiry of 3 months after the date of the Meeting.
- (C) **Issue Price** – no cash consideration has been or will become payable to the Company as a result of the issue of any Service Provider Shares referred to in Paragraph (A). The Service Provider Shares the subject of Resolution 6 are proposed to be issued to the Resolution 6 Allottee in accordance with the provisions of a service agreement between the Company and the Resolution 6 Allottee. Under the terms of that agreement, the Resolution 6 Allottee was required to, and did, provide a digital campaign of media and investor relations. In consideration for providing those services, the Resolution 6 Allottee agreed to receive 500,000 Service Provider Shares at a deemed issue price of \$0.15 per Service Provider Share in lieu of receiving \$75,000 in cash, and only received a further \$7,500 in cash for payment of GST.
- (D) **Persons to whom the Service Provider Shares will be issued** – the Resolution 6 Allottee, as referred to above in this Paragraph 6.
- (E) **Terms of Service Provider Shares** – the terms of the Service Provider Shares are identical to the terms of issue of all other Shares and each Service Provider Share will rank equally with all other Shares.
- (F) **Intended use of Funds Raised** – no funds will be raised as a result of the proposed issue of the Service Provider Shares.

GLOSSARY

\$ means Australian dollars.

AEST means Australian Eastern Standard time.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of 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 dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means HeraMED Limited ACN 626 295 314.

Constitution means the Company's constitution.

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

Deferred Consideration Shares means the Shares the subject of Resolution 1 and that were issued to the persons referred to in Paragraph 1 of the Explanatory Statement.

Directors means the current directors of the Company.

Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

FDA Approval means the approval of the Federal Drug Agency of the United States (**FDA**) for HeraBEAT to be used as a clinical medical device in the United States.

HeraMED Israel means Hera Med Ltd, a company incorporated in Israel with Registration Number P.C. 51-467654-3.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Placement Option means an Option the material terms and conditions of which are set out in Paragraph 5(E) of the Explanatory Statement.

Prospectus means the prospectus dated 15 October 2018 issued by the Company in connection with its initial public offering and application for official quotation on the ASX.

Proxy Form means the proxy form accompanying the Notice.

Resolution means any of the resolutions set out in the Notice.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Supplementary Prospectus means a prospectus that was issued as a supplement to the Prospectus and was dated 23 November 2018.

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

Holder Number:

Vote by Proxy: HMD

Your proxy voting instruction must be received by **3.00pm (Sydney Time) on Monday, 17 February 2020**, 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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

