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HERAMED LIMITED
ACN 626 295 314
NOTICE OF ANNUAL GENERAL MEETING

TIME: 4:00pm (EST)
DATE: 14 July 2020
PLACE: Via a live webcast to be announced on the Company's website at www.hera-med.com

This Notice 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary by email on jonathan@hera-med.com.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 4:00pm (EST) on 14 July 2020.

Due to the NSW Government's direction for people to remain in their residence and other restrictions under the *Public Health (COVID-19 Restrictions on Gathering and Movement) Order 2020* and for the purposes of public health and safety, the Company is not able to allow shareholders to physically attend the Meeting. The Meeting will be webcast live via Zoom or an alternative video-conference facility, which allows Shareholders to ask questions in relation to the business of the Meeting.

Instructions to join the webcast will be announced on ASX and updated on the Company's website at www.hera-med.com.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

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 4:00pm (EST) on 12 July 2020.

All Resolutions at the Meeting will be decided based on proxy votes.

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
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. 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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and

- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Report of the Company for the financial year ended 31 December 2019, together with the Directors' Declaration, the Directors' Report, the Remuneration Report and the Independent Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2019."

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

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member; and the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if: the proxy is the Chair; and 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 the Key Management Personnel.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR DAVID HINTON

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

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr David Hinton, who retires and being eligible, offers himself for election as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR RONALD WEINBERGER

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

"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Dr Ronald Weinberger, who retires and being eligible, offers himself for election as a Director."

5. RESOLUTION 4 – RATIFICATION OF ISSUE OF SECURITIES – LR 7.1

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 164,760 Shares under Listing Rule 7.1 to Spark Plus Pte. Ltd. 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 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, 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 the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way, 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.

6. RESOLUTION 5 – RATIFICATION OF ISSUE OF PLACEMENT SHARES – LR 7.1

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,581,652 Shares under Listing Rule 7.1 to sophisticated investors 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 5 by or on behalf of:

- a) any person who participated in the issue of any of the Shares that are the subject of Resolution 5; or
- b) an associate of such a person.

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

- a) a person, proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the direction given to the chair to vote on Resolution 5 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 the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
- ii. the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 6 – RATIFICATION OF ISSUE OF PLACEMENT SHARES – LR 7.1A

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,387,768 Shares under Listing Rule 7.1A to sophisticated investors 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) any person who participated in the issue of any of the Shares 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) a person, proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the directions 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 the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way, 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.

8. RESOLUTION 7 – APPROVAL OF ISSUE OF PERFORMANCE OPTIONS TO FREEMAN ROAD PTY LTD – LR 7.1

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the issue of 5,500,000 Performance Options to Freeman Road Pty Ltd or its nominee(s) 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 7 by or on behalf of:

- a) any person who participated in the issue of any of the Shares that are the subject of Resolution 7; or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a) Freeman Road Pty Ltd or any nominee of Freeman Road Pty Ltd who is expected to participate in the issue of any of the Performance Options that are the subject of Resolution 7; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with the direction given to the chair to vote on Resolution 7 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 the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 7; and
 - ii. the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 8 – APPROVAL OF ISSUE OF ADVISORY OPTIONS TO HENSLOW PTY LTD – LR 7.1

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the issue of 2,322,419 Advisory Options to Henslow Pty Ltd or its nominee(s) 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 8 by or on behalf of:

- a) any person who participated in the issue of any of the Shares that are the subject of Resolution 8; or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- a) Henslow Pty Ltd or any nominee of Henslow Pty Ltd who is expected to participate in the issue of any of the Advisory Options that are the subject of Resolution 8; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 8.

in accordance with the direction given to the chair to vote on Resolution 8 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:
- iii. the beneficiary provides written confirmation the holder votes on Resolution 8 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 8; and
 - iv. the holder votes on Resolution 8 in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 9 – ISSUE OF SHORTFALL SHARES UNDER THE SPP

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue up to 16,666,667 fully paid ordinary shares to sophisticated investors of Henslow Pty Ltd under the SPP Shortfall and 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 9 by or on behalf of:

- a) any person who is expected to participate in the issue of any of the Shares that are the subject of Resolution 9; or
- b) an associate of such a person.

However, this does not apply to a vote cast in favour of Resolution 9 by:

- a) a person, proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with the directions given to the proxy or attorney to vote on Resolution 9 in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with the direction given to the chair to vote on Resolution 9 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 the holder votes on Resolution 9 in accordance with directions given by the beneficiary to the holder to vote in that way, to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 9; and
 - ii. the holder votes on Resolution 9 in accordance with directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of 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 Shares), or an associate of that person (or those persons).

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

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

Dated: 2 June 2020

By order of the Board

Ron Weinberger
Chairman

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 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:

- (a) the issue was not made in breach of Listing Rule 7.1; and
- (b) 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:

- (a) 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
- (b) 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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 31 December 2019, together with the Directors' Declaration, the Directors' report, the Remuneration Report and the Independent Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available at the registered office of the Company. Please note the Company's auditor will attend the AGM and will answer any queries Shareholders may have.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election / re-election as directors is approved, will be the directors of the Company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were not more than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel ¹	Voted	Not voted ³
Chair ²	Voted	Voted at discretion of Proxy ⁴
Other	Voted	Voted at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS – MR DAVID HINTON AND MR RON WEINBERGER

3.1 General

In accordance with clause 14.2 of the Company's Constitution, at the Company's annual general meeting in every year, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election.

Resolution 2 seeks approval for the re-election of Mr David Hinton as a Non-Executive Director, retiring by rotation pursuant to the Company's Constitution.

Resolution 3 seeks approval for the for the re-election of Mr Ron Weinberger as a Non-Executive Director, retiring by rotation pursuant to the Company's Constitution

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES – LR 7.1

The Company engaged Spark Plus Pte Ltd (**Resolution 4 Allottee**) for the provision of investor relations services to Singapore and Hong Kong investors in the Company (**Service Agreement**). For services provided under this engagement, the Company agreed to issue to the Resolution 4 Allottee, shares in the Company. Accordingly, on 17 April 2020, the Company issued 164,760 Shares to the Resolution 4 Allottee as payment for its services.

In consideration of the Resolution 4 Allottee connecting the Company with targeted investors in Singapore and Hong Kong, the Company will:

- (a) pay the Resolution 4 Allottee USD\$2,000 on the 20th of every month for the term of this Service Agreement; and
- (b) issue shares in the Company worth another USD\$2,000. The equity compensation is to be paid as follows:
 - (i) at the signing of the agreement 50% of the shares to be issued at the fair market value; and
 - (ii) and the remaining share component to be issued at the end of the agreement based on the monthly value of the equity compensation (i.e US\$2,000) multiplied by the number of months during which the equity compensation was accumulated.

At present, the Company has issued a total of 164,760 Shares under the Services Agreement.

The Service Agreement commenced 15 January 2020 and will continue until terminated by either party. The term for the provision of the services shall be for one (1) year unless terminated at any time and without cause by either party upon ninety (90) days written notice. The parties have presently put a pause on the Services Agreement.

All of the Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1

Listing Rule 7.1 allows an entity to issue (or agree to issue) up to 15% of the Company's fully paid ordinary shares on issue in any 12 month period without the approval of the Shareholders of the Company.

Listing Rule 7.4 provides that where an entity in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1, thereby "refreshing" the Company's capacity under Listing Rule 7.1.

Therefore, the effect of approval of this Resolution is to allow the entity to retain the flexibility to issue additional securities within the 15% capacity under Listing Rule 7.1 after this Resolution is adopted.

In accordance with the disclosure requirement of ASX Listing Rule 7.5, the Company advises as follows in respect of the Shares:

- (a) **Size of Issue** – an total of 164,760 Shares were issued to the Resolution 4 Allottee.
- (b) **Consideration** – Each of the Shares were issued for nil cash consideration.
- (c) **Terms of Shares** – the terms of the Shares are identical to the terms of issue of all other Shares and each Share will rank equally with all other Shares.

- (d) **Date of issue** – all Shares that are the subject of Resolution 4 were issued on 17 April 2020.
- (e) **Allottees** – the Shares were issued to the Resolution 4 Allottee.
- (f) **Funds Raised** – funds were not raised from the issue of the Shares as the Shares were issued as part of the fee payable for the services provided by the Resolution 4 Allottee.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES – LR 7.1

On 15 June 2020, the Company issued 25,804,659 Shares (**Placement Shares**) to whom it believes are long term supporters of the Company and are sophisticated and institutional investors to raise approximately A\$2.32 million, none of whom were related parties of the Company.

Proceeds are to be used to accelerate commercial roll out of HeraCARE and progress ongoing research projects. For more information please refer to ASX Announcement dated 5 June 2020.

The Placement Shares were issued on the following basis:

- (a) 15,581,652 Shares issued pursuant to ASX Listing Rule 7.1; and
- (b) 10,387,768 Shares issued pursuant to ASX Listing Rule 7.1A.

For a summary of Listing Rules 7.1 and 7.4 please see page 7 and section 4 above.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of all the Placement Shares issued pursuant to ASX Listing Rule 7.1 (**7.1 Ratification**).

Each of the above stated recipients of Placement Shares issued pursuant to ASX Listing Rule 7.1 is hereafter referred to as the 7.1 Placement Allottees.

Details of the issue of the Placement Shares were announced by the Company on 5 June 2020. As stated in that announcement, the issue of the 7.1 Placement Shares was effected for the purpose of accelerating the commercial rollout of the HeraCARE digital pregnancy monitoring platform.

In accordance with the disclosure requirement of ASX Listing Rule 7.5, the Company advises as follows in respect of the 7.1 Ratification:

- (a) **Size of Issue** – an aggregate of 15,581,652 Placement Shares the subject of Resolution 5 were issued to the 7.1 Placement Allottees.
- (b) **Issue Price** - \$0.09 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 5 were issued on 5 June 2020.
- (e) **Allottees** – each 7.1 Placement Allottee was either a sophisticated or institutional investor as named above in Paragraph 5.
- (f) **Funds Raised** – the Company has received approximately \$1,402,349 million as a result of the issue of the Placement Shares that are the subject of Resolution 5.

6. RESOLUTION 6 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES – LR 7.1A

As noted above in paragraph 5, 10,387,768 Placement Shares were issued pursuant to ASX Listing Rule 7.1A.

This resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of all the Placement Shares issued pursuant to ASX Listing Rule 7.1A (**7.1A Ratification**).

Each of the above stated recipients of Placement Shares issued pursuant to ASX Listing Rule 7.1A is hereafter referred to as the 7.1A Placement Allottees.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable “A” in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing

Rules 7.1 and 7.1A. By ratifying the issue of the Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

In accordance with the disclosure requirement of ASX Listing Rule 7.5, the Company advises as follows in respect of the 7.1A Ratification:

- (a) **Size of Issue** – an aggregate of 10,387,768 Placement Shares the subject of Resolution 6 were issued to the 7.1A Placement Allottees.
- (b) **Issue Price** - \$0.09 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 the subject of Resolution 6 were issued on 5 June 2020.
- (e) **Allottees** – each 7.1A Placement Allottee was either a sophisticated or institutional investor as named above in this Paragraph 5.
- (f) **Funds Raised** – the Company has received approximately \$934,899 as a result of the issue of the Placement Shares that are the subject of Resolution 6.

7. RESOLUTION 7 – ISSUE OF PERFORMANCE OPTIONS TO FREEMAN ROAD PTY LTD

Pursuant to an agreement between the Company and Freeman Road Pty Ltd (**Freeman Road**) dated on or about 20 May 2020 (**Agreement**), the Company has agreed to issue to Freeman Road or its nominees (**Resolution 7 Allottee**) conditional on Shareholder approval, 5,500,000 unlisted options exercisable upon achievement of the following milestones:

- 2,000,000 options – upon commencement of a clinical study or pilot;
- 2,500,000 options – successful completion of the study; and
- 1,000,000 options – execution of a commercial agreement,

which have a term of 2 years from the date of issue (**Performance Options**).

Freeman Road in cooperation with PHI (Partnering in Health Innovations) represent a well-connected healthcare advisory group, founded by prominent Physician and Researcher Associate Professor, Dr. Paul Porter. The group will be responsible for undertaking pilots and clinical studies of the Company's remote monitoring solutions at the Joondalup Health Campus in Western Australia. For more information please refer to ASX Announcement dated 20 May 2020.

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

- (a) **Maximum Size of Issue** – a total of 5,500,000 Performance Options the subject of Resolution 7 are proposed to be issued to the Resolution 7 Allottee.
- (b) **Date of Issue** – subject to Shareholders approving Resolution 7, all 5,500,000 Performance Options the subject of Resolution 7 will be issued to Freeman Road 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 Performance Options referred to in Paragraph 7. The Performance Options the subject of Resolution 7 are proposed to be issued to the Resolution 7 Allottee in consideration for the provision of assisting with the agreement to design arrange and lead clinical pilot projects and clinical studies for HeraBEAT and HeraCARE.
- (d) **Persons to whom the Performance Options will be issued** – the Resolution 7 Allottee, as referred to above in this Paragraph 7.
- (e) **Terms of Performance Options** – the main terms of the Performance Options are set out in Schedule A.
- (f) **Term**: expiring 2 years after the date of issue.
- (g) **Exercise Price per Performance Option**: A\$0.15, payable in full upon exercise.
- (h) **Exercise ratio**: one Share for each Performance Option validly exercised.
- (i) **Vesting**: the vesting criteria are set out above in paragraph 7.
- (j) **Intended use of Funds Raised** – no funds will be raised as a result of the proposed issue of the Performance Options.

Please note that in the event this Resolution 7 is not approved, the Company will not issue the Performance Options to Freeman Road or its nominees.

8. RESOLUTION 8 – ISSUE OF ADVISORY OPTIONS TO HENSLOW PTY LTD

Pursuant to a capital raising mandate between the Company and Henslow Pty Ltd (**Henslow**) dated on or about 29 April 2020 (**Mandate**), the Company has agreed to issue to Henslow or its nominees (**Resolution 8 Allottees**) 2,322,419 unlisted options exercisable at \$0.20 each expiring on or before 2 years from the date of issue (**Advisor Options**).

Pursuant to the Mandate, the Company engaged Henslow to act as lead manager to the capital raising the subject of Resolutions 5, 6 and 9 and has agreed to issue the Advisor Options in part consideration for services provided by Henslow. The proposed issue of the Advisor Options will be in addition to the payment by the Company of capital raising fees of 6% of funds received in connection with the placement in June 2020 and any shortfall placed pursuant to Resolution 9. The Company has also agreed to pay Henslow a retainer fee of \$8,000 (plus GST) payable for an initial period of six (6) months after the completion of the issue of the Placement Shares the subject of Resolutions 5 and 6.

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

- (a) **Maximum Size of Issue** – a total of 2,322,419 Advisor Options the subject of Resolution 8 are proposed to be issued to the Resolution 8 Allottees.
- (b) **Date of Issue** – subject to Shareholders approving Resolution 8, all 2,322,419 Advisor Options the subject of Resolution 8 will be issued to Henslow 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 Advisor Options referred to in Paragraph 8. The Advisor Options the subject of Resolution 8 are proposed to be issued to the Resolution 8 Allottees in consideration for the provision of professional services by those Resolution 8 Allottees in connection with the issue of the Placement Shares.
- (d) **Persons to whom the Advisor Options will be issued** – the Resolution 8 Allottees, as referred to above in this Paragraph 8.
- (e) **Terms of Advisor Options** – the main terms of the Advisor Options are (Schedule B sets out the full terms of the Advisor Options):
 - (i) Term: expiring 2 years after the date of issue;
 - (ii) Exercise Price per Advisor Option: A\$0.20, payable in full upon exercise;
 - (iii) Exercise ratio: one Share for each Advisor Option validly exercised; and
 - (iv) Vesting: the Advisor Options are fully vested upon being issued.
- (f) **Intended use of Funds Raised** – no funds will be raised as a result of the proposed issue of the Advisor Options.

Please note that in the event this Resolution 8 is not approved, the Company will not issue the Advisor Options to the Resolution 8 Allottees.

9. RESOLUTION 9 – ISSUE OF SHORTFALL SHARES UNDER THE SPP

On 5 June 2020, the Company announced that in order to allow eligible shareholders to participate in the capital raising the subject of Resolutions 5 and 6 above, the Company is launching a share purchase plan (**SPP**). Under the SPP, eligible shareholders will be able to purchase up to \$30,000 worth of new fully paid ordinary shares in the Company, up to a total raising of \$1.5 million.

If there is a shortfall in acceptances under the SPP, the Company wants to be able to issue the shortfall of Shares under the SPP (**Shortfall Shares**) without the need to use its placement capacity. This resolution seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Shortfall Shares to sophisticated and institutional clients of Henslow Pty Ltd (**Resolution 9 Allottees**).

The following information is provided in relation to the proposed issue of the Shortfall Shares and Resolution 9:

- (a) the maximum number of fully paid ordinary shares in the Company to be issued is 16,666,667;
- (b) the Shares will be issued not later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on or about 6 July 2020.
- (c) the Shares are to be issued at a price of \$0.09 per Share;
- (d) the Shares will rank equally with the existing Shares on issue;

- (e) the Shares are proposed to be allotted and issued to the Resolution 9 Allottees;
- (f) the funds raised will be used to accelerate commercial roll out of HeraCARE and progress ongoing research projects.

The purpose of seeking shareholder approval is that at the time the Company agreed to issue the Shortfall Shares, it does not have sufficient placement capacity to do so. Accordingly, the issue of the Shortfall Shares is conditional on shareholder approval which is needed to complete the share issue.

10. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY

10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity. If Shareholders approve this Resolution, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in below).

The effect of this Resolution will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

10.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company has a market capitalisation of ~\$11,940,000. The Company is an Eligible Entity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has only 1 class of quoted Equity Securities on issue, being 103,877,677 Shares (ASX Code: HMD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$\frac{(A \times D) - E}{D}$$

Where:

- A** is the number of shares on issue at the commencement of the relevant period:
 - (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:

- (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of partly paid Shares that became fully paid in the relevant period;
- (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
- (F) less the number of fully paid Shares cancelled in the relevant period.

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

D is 10%

E the number of equity securities issued or agreed to be issued under rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.

10.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

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

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2 and on the assumptions set out below the table.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	DILUTION			
	Issue Price (per Share)	\$0.0575 50% decrease in Issue Price	\$0.115 Issue Price	\$0.23 100% increase in Issue Price
103,877,677 (Current Variable A)	Shares issued - 10% voting dilution	10,387,767 shares	10,387,767 shares	10,387,767 shares
	Funds raised	\$597,296	\$1,194,593	\$2,389,186
155,816,516 (50% increase in Variable A)	Shares issued - 10% voting dilution	15,581,651 shares	15,581,651 shares	15,581,651 shares
	Funds raised	\$895,944	\$1,791,889	\$3,583,779
207,755,354 (100% increase in Variable A)	Shares issued - 10% voting dilution	20,775,535 shares	20,775,535 shares	20,775,535 shares
	Funds raised	\$1,194,593	\$2,389,186	\$4,778,373

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are 103,877,677 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing price of Shares on ASX on Friday, 29 May 2020, being \$0.115.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.4.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares and it is assumed that no Options are exercised into Shares before the date of issue of the Shares.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to by reason of placements under the 10% Placement Capacity. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration. The Company intends to use such funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and operation of the Company's current assets and/or general working capital.

(e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new

investors (or both), none of whom will be related parties of the Company. The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

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

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

(f) **Previous approval under ASX Listing Rule 7.1A**

In 12 months preceding the date of the Meeting, the Company issued a total of 10,387,768 Equity Securities which represent 6.37% of the total number of Equity Securities on issue at 5 June 2020. The Equity Securities issued in the preceding 12 months are detailed in Schedule C.

10.4 Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4.

10.5 Voting Exclusion

A voting exclusion statement is included in this Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under the 10% Placement Facility. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

11. RECOMMENDATIONS

The Directors believe that the above proposals are in the best interest of the Company and, save where otherwise stated, unanimously recommend that shareholders vote in favour of the Resolutions to be proposed at the Company's annual general meeting.

12. ENQUIRIES

Shareholders are required to contact the Company Secretary via email to jonathan@hera-med.com if they have any queries in respect of the matters set out in this Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 10.1 of the Explanatory Statement.

Admission means admission of the Company to the official list of ASX.

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

ASIC means the Australian Securities & Investments Commission.

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.

Auditor means the auditor of the Company.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

Notice or **Notice Annual General 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.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Security means a security issued or to be issued in the capital of the Company, including a Share or an Option.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in Section 10.2 of the Explanatory Statement.

Trading Day means a day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day and any other day that ASX may declare and publish is not a trading day.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

SCHEDULE A – TERMS AND CONDITIONS OF PERFORMANCE OPTIONS

- a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- b) **Exercise Price:** Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).
- c) **Expiry Date:** Each Option will expire at 5:00 pm (EST) on or before two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- d) **Exercise Period:** Subject to meeting the following milestones:
- 2,000,000 Options – exercisable upon commencement of a clinical study or pilot;
 - 2,500,000 Options – exercisable upon successful completion of the study; and
 - 1,000,000 – exercisable upon the execution of a commercial agreement,
- are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- e) **Notice of Exercise:** Subject to compliance with d) above, the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
- f) **Exercise Date:** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- g) **Timing of issue of Shares on exercise:** Within 15 Business Days after the Exercise Date, the Company will:
- i. allot and 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, 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 (g)(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.
- h) **Shares issued on exercise:** Shares issued on exercise of the Options rank equally with the then issued shares of the Company. Quotation of Shares issued on exercise if admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- i) **Reconstruction of capital:** Subject to the Corporations Act and the ASX Listing Rules at the time of reconstruction, upon any sub-division or consolidation of the Shares or reduction of share capital, the number of Shares to be subscribed on any subsequent exercise of the Options will be increased or reduced in due proportion so as to maintain the same relative subscription rights for the Options and the Exercise Price will be adjusted accordingly.
- j) **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 without exercising the Options.
- k) **Change in exercise price:** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- l) **Not Quoted:** The Company will not apply for quotation of the Options on ASX.
- m) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE B - TERMS AND CONDITIONS OF ADVISORY OPTIONS

- n) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- o) **Exercise Price:** Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- p) **Expiry Date:** Each Option will expire at 5:00 pm (EST) on or before two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- q) **Exercise Period:** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- r) **Notice of Exercise:** Subject to compliance with d) above, the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised by electronic funds transfer or other means of payment acceptable to the Company.
- s) **Exercise Date:** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- t) **Timing of issue of Shares on exercise:** Within 15 Business Days after the Exercise Date, the Company will:
- allot and 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;
 - if required, give ASX a notice that complies with section 708A(5)(e) of the 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
 - 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 (g)(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.
- u) **Shares issued on exercise:** Shares issued on exercise of the Options rank equally with the then issued shares of the Company. Quotation of Shares issued on exercise if admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- v) **Reconstruction of capital:** Subject to the Corporations Act and the ASX Listing Rules at the time of reconstruction, upon any sub-division or consolidation of the Shares or reduction of share capital, the number of Shares to be subscribed on any subsequent exercise of the Options will be increased or reduced in due proportion so as to maintain the same relative subscription rights for the Options and the Exercise Price will be adjusted accordingly.
- w) **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 without exercising the Options.
- x) **Change in exercise price:** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- y) **Not Quoted:** The Company will not apply for quotation of the Options on ASX.
- z) **Transferability:** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE C – ISSUES OF EQUITY SECURITIES SINCE 29 MAY 2019

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration
Issue - 28 August 2019	2,000,000	Unlisted options expiring 31 December 2021 @0.25	Issued to service providers as consideration for investor relations initiatives and services provided pursuant to service agreements	No issue price (nil cash consideration – no discount)	Investor relations initiatives and services provided pursuant to service agreements
Issue - 5 November 2019	1,200,000	Unlisted options expiring 15 August 2024 \$0.165 subject to the terms of the Company's 2019 Employee Incentive Plan (Israeli Appendix) and vesting over three years on a quarterly basis (i.e. 8.33% a quarter) starting from 15 August 2019.	employees and service providers of the Company, its subsidiaries or affiliates	No issue price (nil cash consideration – no discount)	Consulting services provided to the Company
	25,000	Unlisted Options Expiring 15 August 2024 @ AU\$0.165 subject to the terms of the Company's 2019 Employee Incentive Plan (Israeli Appendix) and vesting subject to FDA approval being granted before 30 November 2019.	employees and service providers of the Company, its subsidiaries or affiliates	No issue price (nil cash consideration – no discount)	Consulting services provided to the Company
	574,000	Unlisted Options Expiring 15 August 2024 @ US\$0.01 subject to the terms of the Company's 2019 Employee Incentive Plan (Israeli Appendix) and issued pursuant to the CFO Agreement dated 1 July 2018 as disclosed in section 7.8 of	CFO	No issue price (nil cash consideration – no discount)	Consulting services provided to the Company

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		the supplementary prospectus dated 23 November 2018 and vesting over three years on a quarterly basis (i.e. 8.33% a quarter) starting from 1 July 2018.			
28 November 2019	6,500,000	Shares ¹	Deferred Consideration Shares issued to the vendors (and/or their nominees) as part of the Acquisition – refer Section 7.1(b)(ii) of the Prospectus dated 15/10/18 and Deferred Consideration Shares issued to the corporate advisers (and/or their nominees) as per Section 7.2(a)(iv) of the Prospectus dated 15/10/18. The securities have been issued upon meeting the performance milestone being receipt of the FDA approval, which was announced on 18/11/19.	No issue price (nil cash consideration)	Deferred Consideration Shares issued to the vendors (and/or their nominees) as part of the Acquisition – refer Section 7.1(b)(ii) of the Prospectus dated 15/10/18 and Deferred Consideration Shares issued to the corporate advisers (and/or their nominees) as per Section 7.2(a)(iv) of the Prospectus dated 15/10/18. The securities have been issued upon meeting the performance milestone being receipt of the FDA approval, which was announced on 18/11/19.
17 December 2019	9,184,076	Shares ¹	Clients of Twenty1 Corporate Pty Ltd	\$0.155 (15% discount to market)	Cash consideration: A\$1,423,531
19 February 2020	500,000	Shares ¹	S3 Consortium Pty Ltd	No issue price (nil cash consideration)	Issued in lieu of receiving \$75,000 in cash for media and investor relations.
19 February 2020	2,250,000	Unlisted Options expiring two years from the date of issue at an exercise price \$0.25 per option	Twenty1 Corporate Pty Ltd and Etchell Capital Limited and or nominees	No issue price (nil cash consideration)	Part consideration for services provided by the lead manager and book runner and the corporate advisor

NOTES:

Fully paid ordinary shares in the capital of the Company, ASX Code: HMD (terms are set out in the Constitution).

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

[HolderNumber]

Holder Number:
[HolderNumber]

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Vote by Proxy: HMD

Your proxy voting instruction must be received by **4:00pm (AEST) on Sunday, 12 July 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

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.



