

**INVION LIMITED**  
**ACN 094 730 417**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Wednesday, 21 October 2020**

Time of Meeting:  
**3.00pm (AEDT)**

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website <https://www.inviongroup.com/Investor%20Centre/company-info/asx-announcements/>.

# INVION LIMITED

ACN 094 730 417

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria, 3205

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the Annual General Meeting of Invion Limited (the “Company” or “IVX”) will be held virtually via a webinar conferencing facility at 3.00pm (AEDT) on Wednesday, 21 October 2020 (“Annual General Meeting”, “AGM” or “Meeting”).**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Company at the time of preparing the Notice of Annual General Meeting (Notice), the Company intends to conduct a poll on the resolution in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has now made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolution. Shareholders who intend to join the AGM are asked to dial-in 30 minutes prior to the start of the meeting to allow the Company to take your details. The virtual meeting can be attended using the following details:

The live webcast can be attended using the following details:

**When:** Wednesday, 21 October 2020 at 3.00pm (AEDT)

**Topic:** IVX Annual General Meeting

**Register in advance for this webinar:**

[https://us02web.zoom.us/webinar/register/WN\\_N3Hb5ILWRHe7GWjiGhkA3g](https://us02web.zoom.us/webinar/register/WN_N3Hb5ILWRHe7GWjiGhkA3g)

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to [mleydin@leydinfreyer.com.au](mailto:mleydin@leydinfreyer.com.au). Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company’s website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: IVX) and on its website at <https://www.inviongroup.com/>.

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ACN 094 730 417

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria, 3205

## AGENDA

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

### ORDINARY BUSINESS

#### Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the period ended 30 June 2020.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

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

#### Resolution 2: Election of Mr Rob Merriel as a Director of the Company

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

*“That Mr Rob Merriel, who was appointed by the Board as a director on 31 August 2020 and retires at this meeting in accordance with the Constitution of the Company and, being eligible for election, be elected as a Director of the Company.*

#### Resolution 3: Re-election of Mr Alan Yamashita as a Director of the Company

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

*“That Mr Alan Yamashita, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

#### Resolution 4: Approval of Issue of Shares to Managing Director/Chief Executive Officer

##### Issue of Shares to Mr Craig Newton

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the proposed issue of shares to Mr Craig Newton to the value of \$256,151 in the Company, as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**Resolution 5: Approval of Issue of Options to Managing Director/Chief Executive Officer**

**Issue of Options to Mr Craig Newton**

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

*That for the purpose of ASX Listing Rule 10.14 and for all other purposes, the proposed issue of options to Mr Craig Newton the Company, as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**Resolution 6: Approval of Issue of Options to Non-Executive Directors**

**a) Issue of Options to Mr Thian Chew**

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the proposed issue of zero priced options to Mr Thian Chew to the value of \$37,500 in the Company, in lieu of a physical cash payment of up to 100% of directors fees for the period 1 April 2020 to 31 August 2020 and on the basis set out as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**b) Issue of Options to Mr Alan Yamashita**

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes, the proposed issue of zero priced options to Mr Alan Yamashita to the value of \$22,810 in the Company, in lieu of a physical cash payment of up to 100% of directors fees for the period 1 April 2020 to 31 August 2020 and on the basis set out as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**Resolution 7: Approval of Issue of Options to Non-Executive Directors**

**a) Issue of Options to Mr Thian Chew**

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes the proposed issue of zero priced options to Mr Thian Chew to the value of \$90,000 in the Company, in lieu of a physical cash payment of up to 100% of directors fees for the period 1 September 2020 to 31 August 2021 and on the basis set out as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**b) Issue of Options to Mr Alan Yamashita**

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

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes the proposed issue of zero priced options to Mr Alan Yamashita to the value of \$54,740 in the Company, in lieu of a physical cash payment of up to 100% of directors fees for the period 1 September 2020 to 31 August 2021 and on the basis set out as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**c) Issue of Options to Mr Rob Merriel**

*That for the purpose of ASX Listing Rule 10.11 and for all other purposes the proposed issue of zero priced options to Mr Rob Merriel to the value of \$54,740 in the Company, in lieu of a physical cash payment of up to 100% of directors fees for the period 1 September 2020 to 31 August 2021 and on the basis set out as described in the Explanatory Statement in the Notice of Meeting, be approved.*

**SPECIAL BUSINESS**

**Resolution 8: Renewal of Proportional Takeover Bid Provision in the Constitution**

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

*“That, for the purposes of Section 648G(4) of the Corporations Act 2001(Cth) and for all other purposes the members of the company approve the renewal of Rule 27 of the Company’s Constitution.”*

**Resolution 9: Approval of 10% Placement Facility**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

By the order of the Board



Melanie Leydin

**Company Secretary**

Dated: 18 September 2020

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
  - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
  - b. Each shareholder has a right to appoint one or two proxies.
  - c. A proxy need not be a shareholder of the Company.
  - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
  - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
  - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
  - h. To be effective, Proxy Forms must be received by the Company's share registry (Link Market Services Ltd) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 3.00pm (AEDT) Melbourne time on Monday, 19 October 2020. Any proxy received after that time will not be valid for the scheduled meeting.

## 4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## 5. How the Chairman will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

## 6. Voting Exclusion Statement:

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

### Resolutions 2 and 3

There are no voting exclusions on these resolutions.

#### **Resolutions 4, 5, 6(a), 6(b), 7(a), 7(b) and 7(c)**

The Company will disregard any votes cast in favour of each of Resolutions 4, 5, 6(a), 6(b), 7(a), 7(b) and 7(c) (respectively and separately) by or on behalf of

- Mr Craig Newton, Mr Thian Chew, Mr Alan Yamashita and Mr Rob Merriel, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or
- an associate of person referred to in the preceding paragraph.

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

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

Furthermore, a vote must not be cast as proxy on any of Resolutions 4, 5, 6(a), 6(b), 7(a), 7(b), or 7(c) by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a “**Restricted Voter**”) may cast a vote on any of Resolutions 4, 5, 6(a), 6(b), 7(a), 7(b) or 7(c) as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

#### **Resolution 8**

There are no voting exclusions on this resolution.

#### **Resolution 9**

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

However, if at the time the approval is sought under this resolution, the Company is proposing to make an issue of equity securities under rule 7.1A.2, the Company will disregard any votes cast by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of that person or persons. However, this does not apply to a vote cast in favour of the resolution by:

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

#### **7. Special Resolution**

Resolutions 8 and 9 are each proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

#### **8. Enquiries**

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents

## EXPLANATORY STATEMENT

### **Purpose of Information**

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2020 Annual General Meeting ("**Meeting**") will be held virtually via a webinar conferencing facility at 3.00pm (AEDT) on Wednesday, 21 October 2020.

The Notice incorporates, and should be read together, with this Statement.

### **Receipt and consideration of Accounts & Reports**

A copy of the Annual Report for the financial year ending 30 June 2020 which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website:

<https://www.inviongroup.com/Investor%20Centre/company-info/financials> or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2020 Annual Report and the management of the company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2020 Annual Financial Statements.

### **Resolution 1: Adoption of Remuneration Report**

#### ***Background***

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

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

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

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

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



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

### ***Directors Recommendation***

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

### ***Voting Exclusions***

Refer to Note 6 for voting exclusions on this Resolution.

### **Resolution 2: Election of Mr Rob Merriel as a Director of the Company**

#### ***Background***

In accordance with the Constitution of the Company, Mr Merriel retires from the Board and being eligible offers himself for election as a Director of the Company.

Mr Merriel is a non-independent non-executive director. He sits on the Audit and Risk Management Committee as well as the Remuneration and Nomination Committee.

Mr Merriel is a Certified Practising Accountant (CPA) with over 35 years of experience working in medical research (Baker IDI and Hudson Institute), large public healthcare services (Melbourne Health and Southern Health) and commercial organisations (Pacific Dunlop and Deloitte Consulting). Mr Merriel currently sits on the Board of two biotechnology start-up companies. He has also been a Director at two Venture Capital Funds and a Director and Company Secretary of several biotechnology medical research spin-off companies.

#### ***Directors Recommendations***

The Board (with Mr Merriel abstaining), recommends that shareholders vote in favour of the election of Mr Merriel.

### **Resolution 3: Re-election of Mr Alan Yamashita as a Director of the Company**

#### ***Background***

In accordance with the Constitution of the Company, Mr Alan Yamashita retires from the Board and being eligible, offers himself for re-election as a Director of the Company.

Mr Yamashita is a non-independent non-executive director. He Chairs the Audit and Risk Management Committee and also sits on the Remuneration and Nomination Committee.

Mr Yamashita is a highly experienced corporate consultant and investment professional, with over 40 years' experience in investment management, investment banking and alternative investment throughout the APAC region. From 1999 to 2005, Mr Yamashita was President and CEO of Search Investment Group and founding CEO and CIO of Search Alternative Investment Ltd (SAIL), a major private global hedge fund and private equity investment practice headquartered in Asia. Prior to Search Investments Group, Mr Yamashita was Managing Director and Head of Asia Capital Markets for Merrill Lynch from 1996 to 1998. Mr Yamashita is currently Managing Partner at Polar Ventures and has held numerous positions as a 16-year veteran of Goldman Sachs and an advisor to various companies, including Plantation Timber Partners, Wuhan; Duty Free Shoppers, Asia; TVSN, Shanghai; and Mizuho Alternative Investments LLC.

## ***Directors Recommendations***

The Board (with Mr Yamashita abstaining), recommends that shareholders vote in favour of the re-election of Mr Yamashita.

### **Resolution 4: Issue of shares to Managing Director and Chief Executive Officer**

Resolution 4 of the Notice seeks Shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the issue of fully paid ordinary shares to the Managing Director and Chief Executive Officer of the Company as consideration for the \$256,151 in deferred salary payments for the period from 1 November 2019 to 31 October 2020. The Directors seek Shareholder approval on this Resolution to take Shares in lieu of the Company making a physical cash payment for the \$256,151 in deferred salary payments owed. The deemed issue price of the shares (**Deemed Issue Price**) will be based on the 14-day VWAP at the date of the Annual General Meeting. The number of shares to be issued will be equal to the deferred salary payments of \$256,151 divided by the Deemed Issue Price. The Shares will be issued to Mr Craig Newton (or his respective nominees).

The Company is currently reviewing its corporate overheads which includes Directors and management fees in order to maintain cash reserves and ensure that resources including cash are effectively applied as part of cost reduction strategies currently under implementation. The Company is of the view that remunerating Directors by way of equity aligns the interests of shareholders and Directors.

It is the view of Directors that the issue of Shares pursuant to Resolution 4 falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by the Managing Director and Chief Executive Officer. Accordingly, the Directors are not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to Listing Rule 10.11.

### **ASX Listing Rule 10.11**

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the shares falls within Listing Rules 10.11.1 and/or 10.11.4 above, as the proposed recipients of the shares is a director of the Company and is therefore a related party of the Company. The proposed issue of the shares therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 4 seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the shares and the Director (or his nominee(s)) will receive the value of shares set out above, with the potential increase in his shareholdings as described above.

If Resolution 4 is not passed, the Company will not proceed with the issue of the shares to the Director, and the Director (or their nominee(s)) will not receive the shares as described above.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1. The effect of this is that the grant of those options or the issue of shares on the exercise of those options will not be

included in the Company's 15% annual placement capacity allowed to be issued by the Company without shareholder approval under ASX Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the related party is Mr Craig Newton and he is a related party by virtue of being a Director of the Company;
- (b) the Shares will be issued not later than one month after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the allotment will occur on the same date;
- (c) the Shares will be issued at the 14-day VWAP at the date of the Annual General Meeting and the shares will be issued on the same terms as the existing class of shares;
- (d) there will not be any funds raised through the issue of the shares, but the Company will reduce its liabilities by up to \$256,151;
- (e) details of Mr Newton's current total remuneration package are as follows:

<b>Name of the Director</b>	<b>Nature</b>	<b>Remuneration Package Details</b>
Mr Craig Newton	Managing Director & CEO	Salary of \$280,000 per annum, plus statutory superannuation entitlements Eligibility to receive a short-term incentive bonus of up to 30% of annual salary based on agreed KPIs as determined by the Board

- (f) a voting exclusion statement is included in this Notice.

### ***Board Recommendation***

The Board (with Mr Newton abstaining) believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour this Resolution.

### **Resolution 5: Issue of options to Managing Director and Chief Executive Officer**

This resolution seeks shareholder approval for the proposed issue of options to the Managing Director and Chief Executive Officer of the Company under the Company's Employee Share Option Plan (**the Plan**).

ASX Listing Rule 10.14 requires a listed entity to obtain prior Shareholder approval for the issue of securities to a Director of the Company under an employee equity incentive scheme.

The Company is proposing to issue options to Craig Newton (Managing Director and Chief Executive Officer) under the Employee Share Option Plan. In accordance with ASX Listing Rule 7.2 (Exception 14), if approval is given under ASX Listing Rule 10.14 for the proposed grant of options to Mr Craig Newton, no further approval will be required under ASX Listing Rule 7.1 for the proposed grant of options or the shares issued upon exercise of those options by Craig Newton. The effect of this is that the grant of those options or the issue of shares on the exercise of those options will not be included in the Company's 15% annual placement capacity allowed to be issued by the Company without shareholder approval under ASX Listing Rule 7.1.

### ***Terms of Options***

The terms of the Options are –

- vest immediately upon issue;
- exercise price: the VWAP of the Company's Shares for the 14 days, prior to the date of the AGM, upon which Shares of the Company traded on ASX;

- expire on 31 October 2024; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company (details of the option grant for each Director is outlined below):

Resolution	Name of the Director	Nature	Number of options
Resolution 5	Mr Craig Newton	Managing Director and Chief Executive Officer	6,814,404

The actual exercise price will depend on the VWAP for the 14 days, prior to the date of the AGM, upon which shares of the Company traded on ASX.

The Company has prepared an assessment of the indicative fair value of the Options as summarised below. The value is indicative only, based on assumptions relevant at the date of the calculation, being 27 August 2020. Different assumptions may be relevant at grant date which may alter the value of the Options for financial reporting purposes. The indicative value assumes the 14-day VWAP at the time of the issue of the Options is \$0.01 (1.0 cents). The total remuneration package in the table set out on page 4 of the Explanatory Statement would be increased by the total dollar amount set out in the following table, based on the assumptions. The actual valuation amount will not be able to be calculated until the Options are issued, when the exercise price will be known (at which time other assumptions may also have changed).

Assessment	
Indicative fair value per Option	\$0.0071
Number per Director	Mr Craig Newton – 6,814,404 Options
Total \$ per Director	Mr Craig Newton - \$48,382
Total Options	6,814,404
Total \$	\$48,382

The indicative fair value was calculated using the Black-Scholes valuation model. The assumptions used in the valuation model were as follows:

Assumptions:	
Valuation date	31 August 2020 <sup>^</sup>
Spot price (31 August 2020)	\$0.01
Exercise price*	\$0.01
Vesting date	Immediate
Expiry date	31 October 2024
Expected future volatility <sup>+</sup>	105%
Risk free rate	0.37%
Dividend yield	Nil

\* Based on assumed 14-day VWAP – see below.

<sup>^</sup> Based on the issue date assumed as being the valuation date.

<sup>+</sup> Based on assessment of estimated future volatility of the Company

The above assumes a 14-day VWAP of \$0.01 when the Options are issued.

As at the date of this Notice, the Director who is proposed to receive the Options has the following direct and indirect interests in shares and/or options of the Company:

Director/Shareholder (and/or associate(s))	Existing		Options
	Shares	%	
Mr Craig Newton	0	0.00%	74,958,440

Following issue of the Options, Mr Craig Newton (or his nominee(s)) would hold 81,772,844 Options. If the Director's options were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentage would increase as follows:

Director	Existing%	New %
Mr Craig Newton	0.00%	1.46%

### **Corporations Act**

The Board has formed the view that the issues of Options to the above Director (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Options aligns the interests of the above Director with the interests of Shareholders. The grant of Options to each of the above Director is a cost-effective form of remuneration when compared to the payment of cash consideration.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, and in order to compensate the above Directors in line with current market practices, Options provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests.

The Director who is proposed to receive Options was not present during the decision-making process, including any decision to put to shareholders the proposed issue of their respective Options or otherwise regarding the proposed issues of their respective Options.

If Resolution 5 is passed and the Options are issued, the Director proposed to receive securities under Resolution 5 (including direct and indirect interests) will have a relevant interest as set out in the table on page 6 of the Explanatory Statement.

## ASX Listing Rule 10.14

The Company is proposing to issue the Options under the Plan, which is an employee incentive scheme as defined in the Listing Rules.

Listing Rule 10.14 provides that a listed company must not, without the approval of shareholders, permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1: a director of the Company;
- 10.14.2: an associate of a director of the Company; or
- 10.14.3: a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The proposed issue of the Options falls within Listing Rules 10.14.1 and/or 10.14.2 above, as the proposed recipient of the Options is a director of the Company and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Resolution 5 seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Options and the Director (or their nominee(s)) will receive the number of Options set out in the table on page 5 of the Explanatory Statement, with the increase in his remuneration and potential increase in their shareholdings as described on pages 5 and 6.

If Resolution 5 is not passed, the Company will not proceed with the issue of the Options to the Director, and the Director (or his nominee(s)) will not receive the Options or potential shareholdings as described on page 5.

If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.15 in respect of the proposed acquisition of Options by the Director under Resolution 5:

- (a) the proposed recipient is Mr Craig Newton, or his nominee(s) (each of which would be an associate of the Director);
- (b) the proposed recipient is a director of the Company;
- (c) 6,814,404 Options are proposed to be issued to Mr Craig Newton;
- (d) details of Mr Newton's current total remuneration package are set out in the commentary for Resolution 4, on page 4 above;
- (e) details of the securities previously issued to the Director under the Plan are:

<b>Number and type of securities</b>	<b>Average acquisition price paid</b>
6,814,403 options	Nil

- (f) information regarding or containing:
  - (i) a summary of the material terms of the Options;
  - (ii) an explanation of why Options are being used; and
  - (iii) the value attributed by the Company to the Options and its basis;is set out above;
- (g) the Options will be issued as soon as practicable after the date of the Meeting, with the issue date being no later than 3 years after the date of the Meeting;
- (h) the Options will be issued for nil consideration;
- (i) a summary of the material terms of the Plan are set out in Appendix A;

- (j) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14;
- (k) Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement is included in this Notice.

As previously announced to the ASX on 29 July 2020 in the Business Update and Change to Board and Management, Mr Newton will finish his employment with the Company on 31 October 2020. Pending the approval above, at this point he will have a total of 81,772,846 options, 46,337,946 will have vested and be held by Mr Newton post-employment. The remaining 35,434,900 will be unvested and will lapse.

### **Board Recommendation**

The Board (with Mr Newton abstaining) unanimously recommends that shareholders vote in favour of Resolution 5. The Chairman will vote undirected proxies in favour of Resolution 5.

### **Resolutions 6(a) and 6(b): Issues of options to Non-Executive Directors**

#### **Background**

Resolutions 6(a) and 6(b) seek shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the issue of options to Non-Executive Directors of the Company, Mr Thian Chew and Mr Alan Yamashita respectively (or their respective nominees), as consideration for 100% of the Director's fees payable to them for the period from 1 April 2020 to 31 August 2020. The Directors seek Shareholder approval on this Resolution to take zero price options in lieu of the Company making a physical cash payment for up to 100% of Directors fees owed. The deemed issue price of the options will be based on a 14-day VWAP at the date of the Annual General Meeting.

The Company is currently reviewing its corporate overheads which includes Directors and management fees in order to maintain cash reserves and ensure that resources including cash are effectively applied as part of cost reduction strategies currently under implementation. The Company is of the view that remunerating Directors by way of equity aligns the interests of shareholders and Directors, while reducing cash expenditure.

#### **Terms of Options**

The terms of the Options are –

- vest immediately upon issue;
- exercise price will be \$0.00 per Share;
- expire on 31 October 2024; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company (details of the option grant for each Director is outlined below):

<b>Resolution</b>	<b>Name of the Director</b>	<b>Nature</b>	<b>Value of Directors fees to be issued as options</b>
Resolution 6(a)	Mr Thian Chew	Non-Executive Chairman	\$37,500
Resolution 6(b)	Mr Alan Yamashita	Non-Executive Director	\$22,810

The number of Options to be issued to each Director will be equal to the respective values of each Directors' fees divided by the VWAP for the 14 days, prior to the issue date of the Options, upon which shares of the Company traded on ASX at the date of the Annual General Meeting (**14-day VWAP**). The following table sets out illustrative examples of the number of options granted assuming different example 14-day VWAPs in lieu of the directors fees not paid in cash.

<b>Example 14-day VWAP:</b>	<b>\$0.008</b>	<b>\$0.009</b>	<b>\$0.010</b>	<b>\$0.011</b>	<b>\$0.012</b>	<b>\$0.013</b>	<b>\$0.014</b>
Resolution 6 (a) number of options issued to Chew	4,687,500	4,166,667	3,750,000	3,409,091	3,125,000	2,884,615	2,678,571
Resolution 6 (b) number of options issued to Yamashita	2,851,250	2,534,444	2,281,000	2,073,636	1,900,833	1,754,615	1,629,286

As at the date of this Notice, the Directors who are proposed to receive the Options have the following direct and indirect interests in shares and/or options of the Company:

<b>Director/Shareholder (and/or associate(s))</b>	<b>Existing</b>		<b>Options</b>
	<b>Shares</b>	<b>%</b>	
Mr Thian Chew	546,857,721	9.94%	27,257,615
Mr Alan Yamashita	-	0.00%	20,443,211

Following issue of the Options, based on an assumed 14 day VWAP of \$0.01, Mr Thian Chew (or his nominee(s)) would hold 31,007,615 Options and Mr Alan Yamashita (or his nominee(s)) would hold 22,724,211 Options. If each respective Director's options were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentages would increase as follows:

<b>Director</b>	<b>Existing%</b>	<b>New %</b>
Mr Thian Chew	9.94%	10.44%
Mr Alan Yamashita	0.00%	0.41%

### **Corporations Act**

The Board has formed the view that the issues of Options to the above Directors (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.



In reaching this view, the Board considers the proposed grant of Options aligns the interests of each of the above Directors with the interests of Shareholders. The grant of Options to each of the above Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, and in order to compensate the above Directors in line with current market practices, Options provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests.

Each Director who is proposed to receive Options was not present during the decision-making process, including any decision to put to shareholders the proposed issue of their respective Options or otherwise regarding the proposed issues of their respective Options.

If Resolutions 6 (a) and 6 (b) are passed and the Options are issued, each of the Directors proposed to receive securities under Resolutions 6 (a) and 6 (b) (including direct and indirect interests) will have a relevant interest as set out in the table on page 8 of the Explanatory Statement.

#### ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Options falls within Listing Rules 10.11.1 and/or 10.11.4 above, as the proposed recipients of the Options are directors of the Company and are therefore related parties of the Company. The proposed issue of the Options therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 6 (a) and 6 (b) seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolutions 6 (a) and 6 (b) are passed, the Company will be able to proceed with the issue of the Options and the Directors (or their nominee(s)) will receive the value of Options set out in the table on page 8, with the potential increase in their shareholdings as described on page 9.

If all or any of Resolutions 6 (a) and 6 (b) are not passed, the Company will not proceed with the issue of the Options to the applicable Director(s), and the applicable Director(s) (or their nominee(s)) will not receive the Options or potential shareholdings as described on pages 8 and 9.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1. The effect of this is that the grant of those options or the issue of shares on the exercise of those options will not be included in the Company's 15% annual placement capacity allowed to be issued by the Company without shareholder approval under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Options to each Director under Resolutions 6 (a) and 6 (b) (respectively):

- (a) the proposed recipients are Mr Thian Chew and Mr Alan Yamashita each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director);
- (b) each of the proposed recipients are related parties of the Company as each of them is a director of the Company;
- (c) Options to the value of \$37,500 are proposed to be issued to Mr Thian Chew and Options to the value of \$22,810 are proposed to be issued of Mr Alan Yamashita. The number of options to be issued is not fixed and will be calculated as the value of the options to be issued divided by the 14-day VWAP;
- (d) The material terms of the Options are set out above;
- (e) the Options will be issued no later than one month after the date of the Meeting;
- (f) the Options will be issued for nil consideration;
- (g) the Options will be issued in lieu of remuneration. As such there is no issue price for, and the Company will not receive cash from, the issue of the Options;
- (h) details of Directors' current total remuneration packages are set out on page 12 of the Explanatory Statement;
- (i) a voting exclusion statement is included in this Notice.

### ***Board Recommendation***

The Board (with the respective directors abstaining in relation to the relevant Resolution regarding their own proposed Options) recommends that shareholders vote in favour of Resolutions 6 (a) and 6 (b). The Chairman will vote undirected proxies in favour of Resolutions 6 (a) and 6 (b).

### **Resolutions 7(a), 7(b) and 7(c): Approvals to Issue of Options to Mr Thian Chew, Mr Alan Yamashita and Mr Rob Merriel**

#### ***Background***

Resolutions 7(a), 7(b) and 7(c) seek shareholder approval for the purpose of Listing Rule 10.11 and all other purposes for the issue of options to Non-Executive Directors of the Company, Mr Thian Chew, Mr Alan Yamashita and Mr Rob Merriel respectively (or their respective nominees), as consideration for 100% of the Director's fees payable to them for the year commencing 1 September 2020. The Directors seek Shareholder approval on this Resolution to issue zero price options in lieu of the Company making physical cash payments for up to 100% of Directors fees payable for that period. The proposed options would be issued to directors on a quarterly basis at a deemed issue price of the options to be based on the 14-day VWAP at the respective quarterly issue dates.

The Company is currently reviewing its corporate overheads which includes Directors and management fees in order to maintain cash reserves and ensure that resources including cash are effectively applied as part of cost reduction strategies currently under implementation. The Company is of the view that remunerating Directors by way of equity aligns the interests of shareholders and Directors, while reducing cash expenditure.

#### ***Terms of Options***

The terms of the Options are –

- vest immediately upon issue;
- exercise price will be \$0.00 per Share;
- expire on 31 October 2024; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company (details of the option grant for each Director is outlined below):

Resolution	Name of the Director	Nature	Value of Directors fees to be issued as options
Resolution 7(a)	Mr Thian Chew	Non-Executive Chairman	\$90,000
Resolution 7 (b)	Mr Alan Yamashita	Non-Executive Director	\$54,740
Resolution 7(c)	Mr Rob Merriel	Non-Executive Director	\$49,991

The number of Options to be issued to each Director each quarter will be equal to the respective values of each Directors' quarterly fees divided by the VWAP for the 14 days, prior to the issue date of the Options, upon which shares of the Company traded on ASX at the date of the Annual General Meeting (**14-day VWAP**). The following table sets out illustrative examples of the number of options granted assuming different example 14-day VWAPs in lieu of the directors fees not paid in cash. The actual issue prices will depend on the VWAP for the 14 days, prior to the issue date of the Options, upon which shares of the Company traded on ASX

Example 14-day VWAP:	\$0.008	\$0.009	\$0.010	\$0.011	\$0.012	\$0.013	\$0.014
Resolution 7 (a) total number of options to be issued to Chew over 12 month period beginning 1 September 2020	11,250,000	10,000,000	9,000,000	8,181,818	7,500,000	6,923,077	6,428,571
Resolution 7(b) number of options to Yamashita over 12 month period beginning 1 September 2020	6,842,500	6,082,222	5,474,000	4,976,364	4,561,667	4,210,769	3,910,000
Resolution 7(c) number of options to Merriel over 12 month period beginning 1 September 2020	6,248,875	5,554,556	4,999,100	4,544,636	4,165,917	3,845,462	3,570,786

#### **Directors' Remuneration Packages and Interests**

As at the date of this Notice, the details (including the amount) of the current total remuneration package of each of the Directors to whom (or to whose nominee(s)) Options would be issued if Resolutions 7 (a), 7(b) and 7 (c) are passed are:

Name of the Director	Nature	Remuneration Package Details
Mr Thian Chew	Non-Executive Chairman	\$90,000 per annum
Mr Alan Yamashita	Non-Executive Director	\$54,740 per annum
Mr Rob Merriel	Non-Executive Director	\$49,991 per annum plus statutory superannuation entitlements

The above will include the proposed Options to the extent that the Options are issued in lieu of cash fees.

As at the date of this Notice, the Directors who are proposed to receive the Options have the following direct and indirect interests in shares and/or options of the Company:

Director/Shareholder (and/or associate(s))	Existing		Options
	Shares	%	
Mr Thian Chew	546,857,721	9.94%	27,257,615

Director/Shareholder (and/or associate(s))	Existing		Options
	Shares	%	
Mr Alan Yamashita	-	0.00%	20,443,211
Mr Rob Merriel	-	0.00%	20,443,211

Following issue of the Options, based on an assumed 14 day VWAP of \$0.01, Mr Thian Chew (or his nominee(s)) would hold 36,257,615 Options, Mr Alan Yamashita (or his nominee(s)) would hold 25,917,211 Options and Mr Rob Merriel would hold 25,442,311 Options. If each respective Director's options were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentages would increase as follows:

Director	Existing%	New %
Mr Thian Chew	9.94%	10.53%
Mr Alan Yamashita	0.00%	0.47%
Mr Rob Merriel	0.00%	0.46%

### **Corporations Act**

The Board has formed the view that the issues of Options to the above Directors (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Options aligns the interests of each of the above Directors with the interests of Shareholders. The grant of Options to each of the above Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in

the near future, and in order to compensate the above Directors in line with current market practices, Options provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests.

Each Director who is proposed to receive Options was not present during the decision-making process, including any decision to put to shareholders the proposed issue of their respective Options or otherwise regarding the proposed issues of their respective Options.

If Resolutions 7 (a), 7(b) and 7 (c) are passed and the Options are issued, each of the Directors proposed to receive securities under Resolutions 7 (a), 7(b) and 7 (c) (including direct and indirect interests) will have a relevant interest as set out in the table on page 13 of the Explanatory Statement.

#### ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Options falls within Listing Rules 10.11.1 and/or 10.11.4 above, as the proposed recipients of the Options are directors of the Company and are therefore related parties of the Company. The proposed issue of the Options therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 7 (a), 7(b) and 7 (c) seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolutions 7 (a), 7(b) and 7 (c) are passed, the Company will be able to proceed with the issue of the Options and the Directors (or their nominee(s)) will receive the value of Options set out in the table on page 11, with the potential increase in their shareholdings as described on pages 12 and 13.

If all or any of Resolutions 7 (a), 7(b) and 7 (c) are not passed, the Company will not proceed with the issue of the Options to the applicable Director(s), and the applicable Director(s) (or their nominee(s)) will not receive the Options or potential shareholdings as described on pages 11 to 13.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1. The effect of this is that the grant of those options or the issue of shares on the exercise of those options will not be included in the Company's 15% annual placement capacity allowed to be issued by the Company without shareholder approval under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Options to each Director under Resolutions 7 (a), 7(b) and 7 (c) (respectively):

- (a) the proposed recipients are Mr Thian Chew, Mr Alan Yamashita and Mr Rob Merriel, each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director);
- (b) each of the proposed recipients are related parties of the Company as each of them is a director of the Company;
- (c) Options to the value of \$90,000 are proposed to be issued to Mr Thian Chew, Options to the value of \$54,740 are proposed to be issued to Mr Alan Yamashita and Options to the value of \$49,991 are proposed to be issued of Mr Rob Merriel. The number of options to be issued is not fixed and will

calculated on the respective quarterly issue dates as the value of the options to be issued divided by the 14-day VWAP;

- (d) The material terms of the Options are set out above;
- (e) The Company has requested an ASX waiver from the requirement that the Options be issued within one month after the date of the AGM and, should the request be successful, allotment will occur on a quarterly basis when the Directors' fees become payable and within 10 business days of the end of each quarter;
- (f) the Options will be issued for nil consideration;
- (g) the Options will be issued in lieu of remuneration. As such there is no issue price for, and the Company will not receive cash from, the issue of the Options
- (h) details of Directors' current total remuneration packages are set out on page 12 of the Explanatory Statement;
- (i) a voting exclusion statement is included in this Notice.

### ***Board Recommendation***

The Board (with the respective directors abstaining in relation to the relevant Resolution regarding their own proposed Options) recommends that shareholders vote in favour of Resolutions 7 (a), 7(b) and 7 (c). The Chairman will vote undirected proxies in favour of Resolutions 7 (a), 7(b) and 7 (c).

## **SPECIAL BUSINESS**

### **Resolution 8: Renewal of Proportional Takeover Bid Provision in the Constitution**

#### ***Background***

Rule 27 of the Company's Constitution contains provisions dealing with shareholder approval requirements if there was to be any proportional takeover bids for the Company's securities (Proportional Bid Provisions)

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

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the Company's shareholders. The Proportional Takeover Bid Provision was last renewed at the Company's Annual General Meeting of 21 November 2014. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Rule 27) be renewed.

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

This resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

#### ***Effect of provisions proposed to be renewed***

If renewed, under existing rule 27 and if a proportional takeover offer is made to Shareholders, the Board is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 14 days before the offer under the proportional takeover bid closes.

The resolution is taken to have been passed if a majority of securities voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 14 days before the close of the offer, the resolution is deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of securities resulting from accepting the offer are registered provided they otherwise comply with the Corporations Act, the Listing Rules, the ASTC Operating Rules and the Constitution. If the resolution is rejected then, under the Corporations Act, the offer is deemed to be withdrawn.

#### ***Reason for the resolution***

Rule 27 of the Constitution is required to be renewed as over 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Rule 27 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables the Company's shareholders to approve a renewal of Proportional Bid Provisions.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Rule 27 needs to be renewed. If Rule 27 is renewed and any proportional takeover bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

### ***Awareness of current acquisition proposals***

As at the date of this Explanatory Statement, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

### ***Advantages and disadvantages of the Proportional Bid Provisions since last renewed***

As there have been no takeover bids made for any of the securities in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Rule 27. It may be argued that the potential advantages and disadvantages described below have also applied for the period since the adoption of Rule 27.

### ***Potential advantages and disadvantages of the proposed resolution for both directors and shareholders***

An advantage to the directors of renewing the Proportional Bid Provisions is that the Board will be able to assess the member's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Rule 27 provides the members with the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Rule 27 is not renewed, members will not have this opportunity.

On the other hand, it may be argued that the renewal of Rule 27 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for members to sell some of their securities.

### ***Voting Exclusions***

There are no voting exclusions on this resolution.

### ***Board Recommendation***

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, Shareholder approval is sought pursuant to this resolution. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.



## **Resolution 9: Approval of 10% Placement Facility**

### ***Background***

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of Resolution 9 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve Resolution 9, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Description of Listing Rule 7.1A**

#### *(a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities, being Shares and Listed Options.

#### *(c) Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

**A** is the number of shares on issue at the commencement of the "relevant period" (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

(A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;

- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the relevant period; or
  - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

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

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

*(d) Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

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

*(e) Nature of consideration for issue and Minimum Issue Price*

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

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

*(f) 10% Placement Period*

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

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;

- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(10% Placement Period).**

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 21 October 2020, and expires on the first to occur of the following:
  - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 21 October 2021;
  - (ii) the time and date of the Company's next annual general meeting;
  - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
  - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
  - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
  - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may also be exposed to economic risk and voting dilution, including the following:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 25 August 2020 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.005 50% decrease in Current Share Price	\$0.01 Current Share Price	\$0.02 100% increase in Current Share Price
<b>Current Variable A</b> 5,503,598,906 Shares	<b>10% Voting Dilution</b>	550,359,891 Shares		
	<b>Funds raised</b>	\$2,751,799	\$5,503,599	\$11,007,198
<b>50% increase in current Variable A</b> 8,255,398,359 Shares	<b>10% Voting Dilution</b>	825,539,836 Shares		
	<b>Funds raised</b>	\$4,127,699	\$8,255,398	\$16,510,797
<b>100% increase in current Variable A</b> 352,726,048 Shares	<b>10% Voting Dilution</b>	1,100,719,781 Shares		
	<b>Funds raised</b>	\$5,503,599	\$11,007,198	\$22,014,396

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - No Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Annual General Meeting.
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - The Current Share Price is \$0.01 (1.0 cents), being the closing price of the Shares on ASX on 25J August 2020.
- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

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

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

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments.

- (f) The Company:
  - (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12 month period preceding the date of the Meeting; and
  - (ii) had not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

### ***Directors Recommendations***

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### ***Voting Exclusions***

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

## GLOSSARY

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

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

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

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

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

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

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

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

“**Closely Related Party**” means:

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

“**Company**” means Invion Limited ACN 094 730 417;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

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

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

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

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

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

“**IVX**” means Invion Limited;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

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

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

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

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

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

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

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

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

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

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

**APPENDIX A – SUMMARY OF THE MATERIAL TERMS OF THE EMPLOYEE SHARE OPTION PLAN**

<p>What securities are granted under the Option Plan?</p>	<p>Options will be granted, each being eligible to subscribe for one Invion Share, subject to the ASX Listing Rules and the terms of the Option Plan.</p> <p>An Invion Share issued on the exercise of an Option will rank equally with all other Invion Shares on issue.</p> <p><b>Issue of Options to Managing Director and CEO</b> The terms of the Options are –</p> <ul style="list-style-type: none"> <li>• vest immediately upon issue;</li> <li>• exercise price: the VWAP of the Company’s Shares for the 14 days, prior to the date of the AGM, upon which Shares of the Company traded on ASX; and</li> </ul> <p>expire on 31 October 2024.</p> <p><b>Issue of Options to Non-Executive Directors in lieu of Directors fees from 1 April 2020 to 31 August 2020</b> The terms of the Options are –</p> <ul style="list-style-type: none"> <li>• vest immediately upon issue;</li> <li>• exercise price will be \$0.00 per Share; and</li> <li>• expire on 31 October 2024.</li> </ul> <p><b>Issue of Options to Non-Executives in lieu of future directors fees</b> The terms of the Options are –</p> <ul style="list-style-type: none"> <li>• vest immediately upon issue;</li> <li>• exercise price will be \$0.00 per Share; and</li> <li>• expire on 31 October 2024;</li> </ul>
<p>Who can participate?</p>	<p>Any employee (including any director, part-time or full-time employee or consultant) of the Company or its subsidiaries who is declared by the Board to be eligible (<b>Eligible Participant</b>).</p>
<p>How are eligible employees invited?</p>	<p>The Board may from time to time determine that an Eligible Participant may participate in the Option Plan by inviting the person to apply for the grant of Options. The invitation may be made on the terms determined by the Board, including as to:</p> <ul style="list-style-type: none"> <li>• the number of Options for which the participant may apply;</li> <li>• the date on which the Options are granted;</li> <li>• the exercise price for the Options;</li> <li>• the vesting conditions of the Options; and</li> <li>• the forfeiture of the Options.</li> </ul> <p>The eligible employee must return the application form duly completed and signed to the Company by the due date and time, together with a cheque for any amount payable in respect of the grant of the Options (if any).</p>
<p>How are Options granted?</p>	<p>After the Company accepts a duly completed application form, the Company will grant the relevant number of Options to the participant, and issue a certificate evidencing the grant of the Options.</p>
<p>Will Options be listed on the ASX?</p>	<p>No, Options granted under the Option Plan will not be listed.</p>

<p>Are there any vesting conditions?</p>	<p>The Board may determine in its sole discretion the nature of any vesting conditions. The vesting conditions will be contained in the invitation to participants. Options may not be exercised unless the vesting conditions (if any) have been met.</p> <p>Options will vest on:</p> <ul style="list-style-type: none"> <li>• the date the vesting conditions are satisfied; or</li> <li>• the date the vesting conditions are waived by the Board; or</li> <li>• if the vesting of the Options is not subject to vesting conditions, the date the Options are granted to the participant.</li> </ul>
<p>What is the exercise price?</p>	<p>After the Options have vested, the participant must give a notice of exercise to the Company and pay the exercise price (if any) prior to the expiry date of the Option, as specified in the invitation.</p> <p>After a participant has validly exercised the Options, the Company will issue to the participant the number of Invion Shares the participant is entitled to through the exercise of the Options.</p>
<p>Are the Options transferable?</p>	<p>A participant must not sell, assign, transfer, grant security over, or otherwise deal with an Option granted under the Option Plan unless required by law (including transfer upon death or legal incapacity of the Option holder).</p>
<p>What happens on retirement, disability or death of the eligible officer or employee?</p>	<p>Within 20 business days, the Board may issue a written notice that the Options will not be forfeited. The Board may determine in its discretion whether the employee's options are deemed to have vested.</p>
<p>When do the Options lapse?</p>	<p>An Option will lapse when it has been forfeited. Options will be forfeited where:</p> <ul style="list-style-type: none"> <li>• a participant ceases employment with the Company other than by retirement, disability, or death, or any other circumstance identified by the Board; or</li> <li>• any applicable vesting conditions have not been met by the due date; or</li> <li>• the Board determines an employee has acted fraudulently or dishonestly, or has wilfully breached his/her duties as an employee; or</li> <li>• a participant becomes insolvent; or</li> <li>• a participant ceases to be an Eligible Participant and either is in direct competition with the Company; or</li> <li>• another forfeiture event as specified in the relevant invitation occurs.</li> </ul> <p>The Board has discretion to determine that, notwithstanding a forfeiture event, the Options are not forfeited.</p>
<p>Adjustments</p>	<p>If there is a reorganisation of capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of capital), the rights of each participant will be changed to the extent necessary to comply with the ASX Listing Rules.</p> <p>If there is a bonus issue or pro rata issue (as those terms are defined under the ASX Listing Rules) the Board may determine that the exercise price for all Options issued under the Option Plan will be adjusted in the manner specified in ASX Listing Rule 6.22</p>
<p>Can the Option Plan be amended?</p>	<p>The Board may at any time amend the Option Plan, including the terms and conditions upon which any Options have been granted under the Option Plan.</p> <p>However, no such amendment may be made if the amendment materially reduces the rights of any holder of Options issued to them prior to the</p>



	<p>date of the amendment, other than an amendment that is introduced primarily:</p> <ul style="list-style-type: none"> <li>• for the purpose of complying with or conforming to present or future legislation governing or regulating the maintenance or operation of the Option Plan;</li> <li>• to correct any manifest error or mistake;</li> <li>• to allow the implementation of an employee share trust arrangement;</li> <li>• to take into consideration possible adverse tax implications in respect of the plan including changes to applicable tax legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation, unless otherwise agreed to in writing by all participants adversely affected by the proposed amendment.</li> </ul>
Who manages and administers the Option Plan?	The Option Plan is managed and administered by the Board.
Option Plan limits	<p>The Board will not grant Options under the Option Plan if:</p> <ul style="list-style-type: none"> <li>• the number of Invion Shares which would be issued if all of the current Options issued under the Option Plan were exercised; and</li> <li>• the number of Invion Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding three years, but excluding any Options granted or Invion Shares issued by way of or as a result of certain excluded offers, would exceed 5% of the then current number of Invion Shares on issue.</li> </ul>