

ASX Code: IME

IMEXHS LTD

ACN 096 687 839

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30 am (AEST)
DATE: 3 October 2019
PLACE: 122 O’Riordan Street
Mascot NSW 2020

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm (AEST) on 1 October 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY, DOMATORISARO PTY LIMITED

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

“That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, the grant to Domatorisaro Pty Limited (or its nominee), an entity controlled by Non-Executive Director, Dr Douglas Lingard, of 40,000,000 Options, with an exercise price of 5.4 cents, and otherwise on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting Exclusion: The Company will disregard any votes cast on the Resolution by or on behalf of Domatorisaro Pty Limited or any of its nominees or their associates, including Dr Douglas Lingard, as persons who are to receive the securities the subject of the Resolution and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary Securities if the Resolution is passed.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 29 August 2019

By order of the Board



Peter Webse
Company Secretary

IMPORTANT NOTES FOR SHAREHOLDERS

Required majorities

The Resolution is an ordinary resolution. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the Resolution.

How to vote

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

Voting in person

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

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment, which must comply with section 250D of the Corporations Act, may be a standing one. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolution. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolution.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company by telephone on +61 2 9030 0040.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 122 O’Riordan Street, Mascot NSW 2020, on 3 October 2019 at 10.30 am (AEST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

A Proxy Form is located at the end of the Explanatory Statement.

1. RESOLUTION – APPROVAL TO ISSUE OPTIONS TO RELATED PARTY, DOMATORISARO PTY LIMITED

1.1 Background

As announced on 12 July 2019 (**Announcement**), the Company has entered into a \$2 million debt facility to provide for capital for growth with a lender company controlled by Dr Doug Lingard, a Director of the Company.

The key terms for the debt facility are set out below.

- (a) \$2 million facility with a final maturity of 31 March 2021.
- (b) Interest rate of 12.5%.
- (c) Facility fee of 4%.
- (d) First ranking fixed and floating charge over the assets of the Company.
- (e) Subject to shareholder approval, 40 million lender options exercisable on or before 31 March 2022 at an exercise price of 5.4 cents.
- (f) Initial tranche of \$1 million will be drawn and placed on deposit pending shareholder vote on the issuance of the options (early repayment required and no further draw down, if shareholder approval is not given for issuing options). Subsequent access to the deposit is upon consent of the Lender.
- (g) The debt facility is not a convertible note structure.

As noted in the Announcement, the Board is satisfied that the terms of the debt facility are better than those that it would be reasonable to expect in the circumstances from an arms-length lender. On this basis, the Company is not required to obtain approval under Chapter 2E of the Corporations Act. However, given the position as a director of IME, a vote of shareholders is required for the issue of the Options, pursuant to ASX Listing Rule 10.11.

The debt facility was chosen in preference to an alternative debt facility announced to the market on 30 April 2019.

The due diligence and negotiation of the final agreements for that alternative facility was not completed until the end of June 2019. The alternative facility involved some of the same key terms as the current debt facility, except, materially, the cornerstone 50% institutional lender did not proceed as a part of the final lender group, and, the exercise price for the options was 3.75 cents. There were also additional restrictive covenants on

IME and the final proposed lender group involved many lenders each participating in only a relatively small share of the facility.

In considering the alternative facility, the Board was presented with an alternative loan proposal, by Dr Lingard, on the basis of concerns about the alternative facility.

The Board decided that it was in the best interests for IME to enter into the loan proposed by Dr Lingard. Key considerations were:

- the exercise price for the options was materially improved with a corresponding significant benefit for IME if those options are exercised;
- the company has an ever-increasing and dynamic opportunity set it is working on across its geographic markets and new product initiatives, accordingly confidentiality, speed and flexibility with a single lender is a strategic benefit; and
- the improved freedom in restrictive covenants more appropriately matches the working capital and possible business case requirements for IME.

Due to the related party nature of Dr Lingard's proposal, he excused himself from Board discussions of the proposal and did not participate in the vote to approve the loan.

1.2 Terms and conditions of Options

The terms and conditions of the Options proposed to be granted are set out below.

- (a) Each Option will entitle the holder (**Optionholder**) to subscribe for one Share.
- (b) Each Option will be exercisable during the period from the date it was granted until 5:00pm (AEST) on 31 March 2022 (**Expiry Date**).
- (c) The exercise price of the Options will be 5.4 cents (**Exercise Price**).
- (d) The Options will be exercisable by notice in writing to the Company setting out the number of Options being exercised, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price for those Options being exercised.
- (e) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares. The Company will apply for official quotation by ASX of the Shares immediately upon their issue in accordance with the ASX Listing Rules.
- (f) The Options will not be quoted on ASX.
- (g) If the Optionholder fails to exercise any Options before the Expiry Date, those Options that the Optionholder has not exercised will lapse and all rights of the Optionholder in respect of those Options cease.
- (h) There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in any new issue to shareholders of the Company during the currency of the Options.

- (i) If there is a reorganisation of the issued capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company or a return of capital, the number of Options or the Exercise Price of the Options (or both) will be adjusted in accordance with the ASX Listing Rules.

1.3 ASX Listing Rule 10.11

The ASX Listing Rules allow an entity to agree to issue equity securities to a related party if the issue is conditional on the entity first obtaining shareholder approval (ASX Listing Rule 10.12, Exception 10). If Shareholders do not approve the Resolution, the Company will not issue the Options to Dr Lingard's company and it will have to repay the loan with no right to further draw downs.

1.4 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the grant of the Options to Dr Lingard.

- (a) Options will be granted to Domatorisaro Pty Limited (or its nominee), an entity controlled by Non-Executive Director, Dr Douglas Lingard.
- (b) Subject to an adjustment (as set out in Section 1.2(i)), the maximum number of Options to be issued is 40,000,000 Options.
- (c) The Options will be granted no later than three Business Days after the date of the Meeting.
- (d) The Options will be granted for \$0.0001 per Option (a total of A\$4,000).
- (e) A voting exclusion statement is set out in the Notice of Meeting.
- (f) The funds received by the Company for the Options will be used as working capital for the business of the Company and its Subsidiaries.

As the grant of Options to Dr Lingard's company will only be made with Shareholder approval, the issue will not impact on the company's 15% annual placement capacity under ASX Listing Rule 7.1. Further, no separate approval is required under that listing rule.

GLOSSARY

\$ means Australian dollars.

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

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means ImExHS Ltd ACN 096 687 839.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Ordinary Securities has the meaning given in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Subsidiary means a subsidiary of the Company from time to time.



ImExHS Limited | ACN 096 687 839

GM Registration Card

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

Holder Number:

Vote by Proxy: IME

Your proxy voting instruction must be received by **10:30am (AEST) on Tuesday, 1 October 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

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

CORPORATE REPRESENTATIVES

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

ATTENDING THE MEETING

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

POWER OF ATTORNEY

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



