

## TRUSCREEN LIMITED

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is given that the Meeting will be held at:

**TIME:** 2 pm

**DATE:** Tuesday 27 August 2019

**PLACE:** Link Market Services, level 11 Deloitte Centre, 80 Queen Street, Auckland

**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.**

**Persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm on Monday 26 August 2019.**

Notice is hereby given that the Annual Meeting of Shareholders of Truscreen Limited (the "Company") will be held at the offices of Link Market Services Limited, Level 11, Deloitte Centre, 80 Queen Street, Auckland 1010 on Tuesday, 27 August 2019 at 2.00 pm.

## **BUSINESS OF THE MEETING**

### **AGENDA**

#### **FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the Annual Report of the Company for the financial year ended 31 March 2019.

**To consider and, if thought fit, pass the following ordinary resolutions:**

#### **1. REMUNERATION OF AUDITORS — ORDINARY RESOLUTION**

That the Board be authorised to fix the remuneration of BDO the Company's auditors.

#### **2. RE-ELECTION OF CHRISTOPHER HORN AS A DIRECTOR – LISTING RULE 2.2.1(b) - ORDINARY RESOLUTION**

That Mr Christopher Horn, who retires in accordance with the provisions of the Constitution of the Company, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.

#### **3. RE-ELECTION OF KELLY (CON) HICKEY AS A DIRECTOR – LISTING RULE 2.2.1(b) - ORDINARY RESOLUTION**

That Mr Kelly (Con) Hickey, who retires in accordance with the provisions of the Constitution of the Company, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.

#### **4. INCREASE IN REMUNERATION OF NON-EXECUTIVE DIRECTORS – LISTING RULE 2.11 - ORDINARY RESOLUTION**

That:

- (a) the aggregate maximum amount of fees which can be paid to the non-executive Directors be increased to \$300,000 (plus GST) in respect of each financial year, where such amount (or lesser amount determined by the Directors for a financial year) will be divided among the non-executive Directors in such proportion and in such manner as they may agree; and
- (b) the remuneration may, in whole or in part, be satisfied through the issue of new ordinary shares.

**5. RATIFICATION OF PRIOR ISSUE OF 7,142,856 SHARES – LISTING RULE 4.5.1(c) - ORDINARY RESOLUTION**

That shareholders ratify the previous issue by the Company on 6 September 2018 of 7,142,856 ordinary fully paid shares at an issue price of 21 cents per share.

**6. RATIFICATION OF PRIOR ISSUE OF 9,677,363 SHARES – LISTING RULE 4.5.1(c) - ORDINARY RESOLUTION**

That shareholders ratify the previous issue by the Company on 12 July 2019 of 9,677,363 ordinary fully paid shares at an issue price of 10.6 cents per share.

**7. RATIFICATION OF PRIOR ISSUE OF 9,677,363 SHARE OPTIONS – LISTING RULE 4.5.1(c) - ORDINARY RESOLUTION**

That shareholders ratify the previous issue by the Company on 12 July 2019 of 9,677,363 unlisted share options on the terms outlined in the Explanatory Notes.

**8. APPROVAL TO ISSUE 1,000,000 SHARES AND 1,000,000 OPTIONS TO MR ANTHONY HO - LISTING RULE 4.2.1 - ORDINARY RESOLUTION**

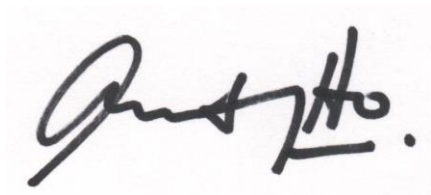
That shareholders approve the issue of 1,000,000 new ordinary fully paid shares (at an issue price of 10.6 cents per shares), and the issue of 1,000,000 options to acquire new shares at an exercise price of 13 cents per option exercised (and otherwise on the terms comprised in the Explanatory Notes to this resolution), to Mr Anthony Ho (or his nominee).

**9. ISSUE OF UP TO 10,000,000 OPTIONS TO SENIOR EXECUTIVES AND DIRECTORS – LISTING RULE 4.2 - ORDINARY RESOLUTION**

That the Directors of the Company are authorised to:

- (a) issue up to 10,000,000 options to acquire ordinary shares in the Company, to senior executives and to directors of the Company on the terms set out in the Explanatory Notes accompanying this Notice of Meeting; and
- (b) take all action, do all things and execute all documents and agreements necessary or considered by them to be expedient to give effect to the issue of the options.

By Order of the Board of Directors



**Anthony Ho**  
Chairman

## VOTING BY PROXY

All shareholders of the Company entitled to attend and vote at the meeting, may attend the meeting, or are entitled to appoint a proxy to attend and vote on their behalf.

A proxy appointment and vote can be completed online at the Link Market Services Investor Centre at <https://investorcentre.linkmarketservices.co.nz/voting/TRU>. You will require your CSN/Holder Number and Authorisation Code (FIN).

Alternatively, please complete and sign the enclosed Proxy Form and return to the Company's Share Registrar, Link Market Services in accordance with the instructions set out on the Proxy Form accompanying this Notice by 2.00 pm on Sunday 25 August 2019.

Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- Shareholders may appoint the Chair as their proxy; and
- the proxy need not be a Shareholder.

Shareholders and their proxies should be aware that

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

Directed proxies means the proxy holder will vote on each resolution as directed by the Shareholder. In the event the Shareholder does not indicate how the proxy holder should vote on each resolution, and the Shareholder appoints the Chair as their proxy, the Chair will vote all resolutions in favour of all of the resolutions, except those in which the Chair has an interest.

## VOTING RESTRICTIONS

Any shareholders of the Company who are Directors or Associated Persons (as that term is defined in the Listing Rules) of the Directors of the Company are not entitled to vote in respect of resolutions 4 and 9.

Any shareholders of the Company who are Associated Persons (as that term is defined in the Listing Rules) of those persons who are to receive any of the securities referred to in resolutions 5 to 8 (inclusive) are not entitled to vote in respect of resolutions 5 to 8.

Those persons who are prohibited from voting on a resolution may not act as a discretionary proxy in respect of a resolution, but may vote in accordance with express instructions.

The Chairperson shall vote any undirected proxies in favour of all of the resolutions with the exception of resolutions 8 and 9 given the Chairperson is interested in those resolutions.

The persons identified in Column 2 of the table below are unable to Vote in favour of the resolutions listed in Column 1.

<b>Column 1 Resolution</b>	<b>Column 2 Disqualified Person</b>
Resolution 4	Directors of the Company or Associated Persons (as that term is defined in the Listing Rules) of the Directors of the Company.
Resolutions 5, 6 and 7	Any person who has been issued, or has acquired, the Equity Securities which are subject to ratification by that resolution, and any Associated Person of that person.
Resolution 8	Mr Anthony Ho or any Associated Person (as that term is defined in the Listing Rules) of Anthony Ho.
Resolution 9	Directors of the Company or Associated Persons (as that term is defined in the Listing Rules) of the Directors of the Company. The Chief Executive Officer of the Company and the Chief Financial Officer of the Company and their Associated Persons (as that term is defined in the Listing Rules).

## Explanatory Notes

### NZX Listing Rules (“Listing Rules”) and Companies Act (“Act”)

The Company is listed on the NZX Main Board and must comply with the Listing Rules and the Act. In addition, various provisions of the Listing Rules are included in the Constitution. The Act, the Constitution and the Listing Rules contain specific requirements which are relevant to the resolutions comprised in this Notice.

The implications of the Listing Rules, the Act and the Constitution, insofar as they relate to each resolution, are addressed in the Explanatory Notes to each resolution.

### Nature of Resolutions

The resolutions which are to be considered at the Meeting are all ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders of the Company, entitled to vote and voting.

These Explanatory Notes have been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

## 1. AGENDA ITEM 1 - FINANCIAL STATEMENTS AND REPORTS

Whilst the consideration of the Annual Report by shareholders is not strictly required under the Act, the Board considers it good policy to table the Annual Report at the Meeting for consideration by shareholders, and for discussion where appropriate.

The Company will not provide a hard copy of the Company’s annual financial report to Shareholders unless specifically requested to do so. The Company’s annual financial report is available on its website at [www.truscreen.com](http://www.truscreen.com).

## 2. RESOLUTION 1 - APPOINTMENT AND REMUNERATION OF AUDITORS – ORDINARY RESOLUTION

BDO is automatically reappointed as auditor of the Company under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

## 3. RESOLUTIONS 2 AND 3 - RE-ELECTION OF MESSRS HORN AND HICKEY AS DIRECTORS – ORDINARY RESOLUTION

**3.1** In terms of the constitution of the Company and the Listing Rules, Messrs Horn and Hickey are required to retire from their respective roles as directors of the Company at the Annual Meeting. Messrs Horn and Hickey are both eligible to be re-elected as directors at the Annual Meeting.

**3.2** The qualification and material directorships of Mr Christopher Horn and Mr Kelly (Con) Hickey are outlined below:

### Mr Christopher Horn

Mr Horn is an experienced business executive and has acted in a number of management roles including 20 years as a partner of KPMG Chartered Accountants and its predecessor firms. He is a director of a number of private companies across a broad range of business activities including corporate advisory, financial services and funds management.

Mr Horn is a Commerce graduate from the University of New South Wales and a Fellow of the Institute of Chartered Accountants in Australia and New Zealand.

Mr. Horn is currently the chair of the Audit and Risk Committee of the Company.

### **Mr Kelly (Con) Hickey**

Mr Hickey has more than 30 years' experience in the Medical Device industry, including holding senior executive roles for multinational companies such as Welch Allyn, a leading global manufacturer in frontline diagnostic and screening equipment.

Currently the Managing Partner of CONX Partners, Mr Hickey's particular skillset includes strategic planning, channel management, talent development and business and market development. His geographic expertise has been focused on the high growth countries of the Asian Pacific region, including China and India, with extensive global industry connections.

Mr. Hickey is a member of the Audit Committee of the Company.

**3.3** The Board is of the view that Mr Horn and Mr Hickey qualify as "independent directors" of the Company (as that term is defined in the Listing Rules).

## **4. RESOLUTION 4 – INCREASE IN REMUNERATION OF NON-EXECUTIVE DIRECTORS – ORDINARY RESOLUTION**

**4.1** Currently, the aggregate maximum amount of fees which can be paid to the non-executive Directors of the Company is \$265,000 plus GST.

The Board proposes that the aggregate maximum amount of fees which can be paid to the non-executive Directors of the Company be increased to \$300,000 (plus GST) in respect of each financial year.

The Board seeks approval of this level of remuneration as it considers it an appropriate level of remuneration to attract and retain Directors of an appropriate level of expertise and experience to the Company.

It is anticipated that the directors' remuneration will be paid as follows:

- \$80,000 per annum shall be paid to the Chairman of the Board of Directors of the Company;
- \$40,000 per annum shall be paid to each other non-executive directors of the Company; and
- \$50,000 per annum shall be paid to the non-executive director who is also the audit committee chairman.

**4.2** In the event of an increase in the total number of Directors holding office, the Directors may, without the authorisation of an ordinary resolution of shareholders, increase the total remuneration by such an amount as is necessary to enable the Company to pay the additional Director or Directors of the Company remuneration not exceeding the average amount then being paid to each of the other non-executive Directors (other than the chairperson) of the Company.

**4.3** The Board also seeks approval for the Directors remuneration to be satisfied in whole, or in part, through an issue of shares, provided that such a share issue complies with the provisions of Listing Rule 4.7.

Listing Rule 4.7 provides that the Company may issue to shares to a Director in satisfaction of the payment of Directors fees is

- the ordinary shares are issued after the end of the period (or half period) to which the remuneration of the Director relates; and
- the issue price of the shares is not less than the Average Market Price (as that term is defined in the Listing Rules) of the shares before the issue is made

The Board believes that providing remuneration to Directors in the form of ordinary shares assists to effectively align the interests of the Non-executive Directors with those of shareholders insofar as it

assists to motivate and reward long-term decision making with the aim of creating and maximising shareholder value over the longer term.

## 5. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF 7,142,856 SHARES – ORDINARY RESOLUTION

**5.1** Listing Rule 4.5 (the “15% Rule”) permits the Company to issue ordinary shares without approval from the Company’s shareholders in certain limited circumstances.

On 6 September 2018, the Company issued 7,142,856 new ordinary fully paid shares at an issue price of \$0.21 per share to raise \$1,500,000 in accordance with the 15% Rule (“September 2018 Shares”).

The September 2018 Shares were issued to a number of professional and sophisticated investors. The funds raised from the issue were used to further the development of the Truscreen device, to develop a pilot manufacturing plant, for marketing and general working capital.

**5.2** Listing Rule 4.5.1(c) allows the Company to renew its capacity to issue ordinary shares within the 15% Rule, when it has been used, by obtaining subsequent ratification of the issue from shareholders of the Company.

The Board is seeking the ratification by shareholders of the previous issue of the September 2018 Shares.

The effect of this Resolution will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 4.1.2 without the requirement to obtain prior Shareholder approval.

**5.3** In the event the Resolution is not passed the Company will be restricted from issuing Equity Securities other than in accordance with Listing Rule 4.1.2.

## 6. RESOLUTIONS 6 & 7 - RATIFICATION OF PRIOR ISSUE – ORDINARY RESOLUTION

**6.1** On 12 July 2019, the Company issued 9,677,363 Shares at an issue price of \$0.106 per Share to raise \$1,025,800, before costs in accordance with the 15% Rule. Stapled to each new share was one option (“Option”) to acquire a further ordinary share in the Company (together referred to as “Placement Shares and Options”), which Options were also issued in accordance with the 15% Rule.

The Placement Shares and Options were issued to a number of professional and sophisticated investors. The funds raised from the issue were used to further product development, marketing and general working capital.

**6.2** The principal terms of the Options are as follows:

- Each Option entitles the holder to acquire one (1) Share.
- The Options are exercisable at any time up until 5.00pm on 12 July 2021 (**Option Exercise Period**) by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company or to the share registry of the Company.
- The Options vest on date of Grant (**Option Vesting Date**).
- The Options exercise price is 13 cents per option.
- On and from the relevant Option Vesting Date, the Options will be freely transferable in whole or in part at any time prior to expiry.
- Shares issued on the exercise of an Option will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted

pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. Official quotation of those Shares on the NZX will be sought.

- The Option holders shall only be permitted to participate in a new issue of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise their Options.
- In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holders will be changed to the extent necessary to comply with the NZX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Option may be reduced in accordance with the Listing Rules.
- Reminder notices will be forwarded to the Option holders prior to the expiry of the Options. Options not exercised before the expiry of the Option Exercise Period will lapse.
- The Options will be recorded on the Company's register of Option holders maintained at the share registry. The register will be open for inspection by the Option holders free of charge. Shares to be allotted on exercise of Options will be recorded on the Company's share register.
- The Options will not be listed on the NZX.
- The Option holder, if appearing on the Company's register of Option holders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings.

**6.3** Listing Rule 4.5.1(c) allows the Company to renew its capacity to issue ordinary shares and options within the 15% Rule, when it has been used, by obtaining subsequent ratification of the issue from shareholders of the Company.

The Board is seeking the ratification by shareholders of the previous issue of the Placement Shares and Options.

**6.4** In the event the Resolution is not passed the Company will be restricted from issuing Equity Securities other than in accordance with Listing Rule 4.1.2.

## **7. RESOLUTION 8 - APPROVAL TO ISSUE 1,000,000 SHARES AND 1,000,000 OPTIONS TO MR ANTHONY HO – ORDINARY RESOLUTION**

**7.1** The Company seeks Shareholder approval under Listing Rule 4.2.1 for the issue of 1,000,000 new shares and 1,000,000 options to Anthony Ho (and/or their nominees) as part of the placement of shares and options recently undertaken by the Company on 12 July 2019 ("July Placement"). Mr Ho is the non-executive Chairman of the Company.

Mr Ho wishes to participate in the recent share placement on the same terms and conditions as the other professional investors who invested in the July Placement and has previously entered into a subscription agreement with the Company to acquire the 1,000,000 shares and options, subject to the prior approval of the shareholders being forthcoming.



**7.2** The terms of the proposed issue of shares and options to Mr Ho are as follows:

- The new shares are proposed to be issued at an issue price of \$0.106 per Share; and
- The principal terms of the Options are proposed to be as follows:
  - The Options have a term of 24 months from the date of their issue;
  - Each one Option entitles the holder to acquire one ordinary fully paid shares upon the payment of the exercise price;
  - The exercise price for each Option is 13 cents.

**7.3** The Board, excluding Mr Ho, recommends shareholders to vote in favour of this resolution given the terms of the issue of the shares and options are identical to the terms upon which the shares and options were issued to professional investors pursuant to the July Placement.

**7.4** In the event the Resolution is not passed the Company will not issue shares and options to Mr Ho, and will not receive a further NZ\$106,000 in respect of this placement.

## **8. RESOLUTION 9 - ISSUE OF UP TO 10,000,000 OPTIONS TO EXECUTIVES AND DIRECTORS – ORDINARY RESOLUTION**

Listing Rule 4.2 states in general terms, that shareholder approval must be obtained for any issue of Equity Securities (which includes options) by the Company and, accordingly, shareholders' approval is being sought in accordance with Listing Rule 4.2.

### **8.1 General**

The Board seeks approval to issue up to 10,000,000 options to acquire ordinary shares in the Company ("Options") to senior executives and directors of the Company, and its subsidiary companies, if any ("Group").

The Directors consider that it is beneficial for the Company to offer and to subsequently issue Options to certain current and future senior executives and directors, for the following reasons:

- The issue will encourage recipients of the Options to hold shares in the Company assists in encouraging a high level of commitment and retention, and aligns their interests with those of external investors;
- The Options will only be issued to targeted recipients who are considered to be particularly valuable to the growth and development of the Company;
- The structure of the issue of the Options will assist the Company in retaining the key staff of the Group for the future;
- The opportunity to offer Options to prospective new senior executives and directors will assist the Company in securing the services of those parties as part of the package available to be offered to those parties;
- The offer of Options provides an appropriate way to incentivise senior executives and directors without the Company incurring a direct cash cost.

The Board proposes to issue Options to the following Directors of the Company:

- 2,000,000 Options to Mr Anthony Ho, the non-executive chairman of the Board;
- 1,000,000 Options to Prof Ronald Jones, a non-executive director of the Company;
- 1,000,000 Options to Mr Christopher Lawrence, a non-executive director of the Company;

- 1,000,000 Options to Mr Kelly Hickey, a non-executive director of the Company;
- 1,000,000 Options to Mr Robert Hunter, a non-executive director of the Company; and
- 1,000,000 Options to Mr Chris Horn, a non-executive director of the Company.

In addition, the following Options are proposed to be issued to senior executives of the Company:

- 1,000,000 to Mr. Martin Dillon, the Chief Executive Officer of the Company;
- 500,000 to Mr. Guy Robertson, the Chief Financial Officer of the Company;
- 500,000 to Mr. Zhenglin Wang, the Manufacturing Manager of the Company.

The balance of the Options proposed to be issued will be set aside in a pool for allocation to existing or future senior executives of the Company. The Board has not yet determined who the balance of the Options will be allocated to at this time. The Board will determine who the balance of the Options will be allocated to, and in what proportions, based upon a number of criteria, including (i) seniority of the executive in question, (ii) the workloads of the respective executive, (iii) the desire of the Board to attract and/or retain the services of the respective executive, (iv) the remuneration package of the executive, and such other factors as the Board may consider appropriate at the time of making its determination.

No Options under the ESOP will be issued to:

- Other Directors of the Company, or to future Directors of the Company; and
- Associated Persons (as that term is defined in the Listing Rules) of either of Messrs Anthony Ho, Christopher Lawrence, Kelly Hickey, Robert Hunter, Christopher Horn or Ronald Jones.

## 8.2 Value of the Options

Given the Options currently have no genuine current market value, having regard to the fact that exercise price for the Options is higher than the current market price of the Company's ordinary shares, The Board believes that there is virtually no value attributable to the Options, other than a purely nominal value at this time.

## 8.3 Dilutionary impact of exercise of Options

### **Directors Options**

The Options proposed to be issued to Directors represent 3.2% of the total share capital on issue as at the date of this Notice.

In the event that the Directors were to exercise all of their Options, and no other Options were exercised, the Directors in question would hold 65,652,400 shares in the Company, representing approximately 24% of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

### **Total Options Pool**

The total pool of Options proposed to be approved by shareholders represents 4.4% of the total share capital on issue as at the date of this Notice.

In the event that:

- All 10,000,000 Options were issued; and
- All 10,000,000 Options were exercised,

the holders of those Options would hold 10,000,000 shares in the Company, representing approximately 4.2% (fully diluted) of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

#### 8.4 Terms of issue of the Options

The principal terms of the Options are as follows:

- (a) Each Option entitles the holder to acquire one (1) Share.
- (b) The Options are exercisable at any time up until 5.00pm on 27 August 2022 (**Option Exercise Period**) by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company or to the share registry of the Company.
- (c) The Options vest on date of Grant (**Option Vesting Date**).
- (d) The Options exercise price is 15 cents per option.
- (e) On and from the relevant Option Vesting Date, the Options will be freely transferable in whole or in part at any time prior to expiry.
- (f) Shares issued on the exercise of an Option will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. Official quotation of those Shares on the NZX will be sought.
- (g) The Option holders shall only be permitted to participate in a new issue of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise their Options.
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holders will be changed to the extent necessary to comply with the NZX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- (i) If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (j) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Option may be reduced in accordance with the Listing Rules.
- (k) Reminder notices will be forwarded to the Option holders prior to the expiry of the Options. Options not exercised before the expiry of the Option Exercise Period will lapse.
- (l) The Options will be recorded on the Company's register of Option holders maintained at the share registry. The register will be open for inspection by the Option holders free of charge. Shares to be allotted on exercise of Options will be recorded on the Company's share register.
- (m) The Options will not be listed on the NZX.
- (n) The Option holder, if appearing on the Company's register of Option holders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings,

and otherwise on the terms set out in the Share Option Allocation Deed entered into between the Company and the holders of the Options.

### **8.5 Requirement for Resolution**

Listing Rule 4.2 states in general terms, that shareholder approval must be obtained for any issue of Equity Securities (which includes the Options) by the Company and, accordingly, shareholders approval is being sought in accordance with Listing Rule 4.2.

**8.6** In the event the Resolution is not passed the Company will not issue any options to Directors and employees. As a consequence the Company may need to increase cash compensation to employees in order to retain their skills and be competitive in the marketplace.