



## TRUSCREEN GROUP LIMITED

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is given that the Meeting will be held at:

**TIME:** 11:00am  
**DATE:** Tuesday 7 September 2021  
**PLACE:** Online at [www.virtualmeeting.co.nz/tru21](http://www.virtualmeeting.co.nz/tru21)

**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 5:00pm on 5 September 2021.**



Notice is hereby given that the Annual Meeting of Shareholders of Truscreen Group Limited (the "Company") will be held as a virtual meeting Online at [www.virtualmeeting.co.nz/tru21](http://www.virtualmeeting.co.nz/tru21) on Tuesday 7 September 2021 at 11.00am, Auckland time.

## **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 2021.

A presentation will be made by Ms Juliet Hull, acting Chief Executive Officer of Truscreen Group Limited.

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

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

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

“That the Board be authorised to fix the remuneration of RSM Hayes Audit Auckland the Company’s auditors.”

#### **2. ELECTION OF DR DEXTER CHEUNG AS A DIRECTOR – LISTING RULE 2.3.1 - ORDINARY RESOLUTION**

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

“That Dr Dexter Cheung, who was appointed by the directors on 1 March 2021, retires from the board in accordance with the constitution of the Company, and being eligible offers himself for election, be elected as a non-executive director of the Company.”

A summary of Dr Cheung’s qualifications and experience is included in the Explanatory Notes.

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

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

“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.”

**4. APPROVAL TO ISSUE UP TO 5,000,000 OPTIONS TO EMPLOYEES, CONTRACTORS AND DIRECTORS – LISTING RULE 4.2.1 - ORDINARY RESOLUTION**

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

“That the Directors of the Company are authorised to:

- (a) issue up to 5,000,000 options to acquire ordinary shares in the Company, to employees, contractors and 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.”

**5. APPROVAL TO ISSUE UP TO 5,000,000 OPTIONS TO APPOINTED DISTRIBUTORS OF THE COMPANY – LISTING RULE 4.2.1 - ORDINARY RESOLUTION**

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

“That the Directors of the Company are authorised to:

- (a) issue up to 5,000,000 options to acquire ordinary shares in the Company, to Appointed Distributors 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.”

**6. OTHER BUSINESS**

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 [vote.linkmarketservices.com/TRU](http://vote.linkmarketservices.com/TRU). Shareholders on the New Zealand register will require their CSN/Holder Number and Authorisation Code (FIN) to complete the online validation process to securely appoint a proxy online. Shareholders on the Australian register will be required to enter their Holder Number and postcode or country of residence to complete the online validation process to securely appoint a proxy online.

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 11.00 am on Friday 3 September 2021.

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 or is otherwise restricted from voting on.

## **VOTING RESTRICTIONS**

Any person to whom it is proposed to issue options to acquire shares in the Company in accordance with resolutions 4 and 5, and their Associated Persons (as that term is defined in the NZX Listing Rules), are unable to vote in favour of resolutions 4 and 5.

A person disqualified from voting may act as a proxy for another person who is qualified to vote in respect shares held by that person and in accordance with that person's express instructions.

## **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 Company is also listed on the ASX as a Foreign Exempt Listing.

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.

### **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's auditors, RSM Hayes Audit will be in attendance to respond to shareholders on the conduct of the audit.

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).

#### **1. RESOLUTION 1 - REMUNERATION OF AUDITORS – ORDINARY RESOLUTION**

This resolution authorises the Board to fix the fees and expenses of the auditor.

#### **2. RESOLUTION 2 - ELECTION OF DR. DEXTER CHEUNG AS A DIRECTOR – ORDINARY RESOLUTION**

**2.1** Dr. Dexter Cheung was appointed a non-executive director on 1 March 2021 to replace Mr Christopher Lawrence who retired on that date. Pursuant to the constitution of the Company and the Listing Rules, Dr. Dexter Cheung is required to retire as a director of the Company at the Annual General Meeting. Dr. Dexter Cheung being eligible has offered himself for election as a director at the Annual General Meeting.

**2.2** The qualifications and material directorships of Dr. Dexter Cheung are outlined below:

Dr. Cheung is an Independent non-executive director and is a member of the Audit & Risk Committee.

Dr. Cheung is an experienced medical device engineer and specialist in product research and development, with more than 20 years' experience. He is the Research & Development Manager of the respiratory humidification division of Fisher & Paykel Healthcare, an NZX/ASX listed healthcare company and a global leader in respiratory medical devices.

Dr. Cheung holds a first-class honours degree in Bachelor of Technology, a Master of Engineering (first class honours) degree and a Doctor of Philosophy (in physics) from his alma mater, University of Auckland.

**2.3** The Board is of the view that Dr. Dexter Cheung qualifies as an "independent director" of the Company (as that term is defined in the Listing Rules).

**2.4** The Board (with Dr. Dexter Cheung abstaining) recommends that shareholders vote in favour of this resolution.

**2.5** Dr. Dexter Cheung is a resident of Auckland, New Zealand



### **3. RESOLUTION 3 - RE-ELECTION OF CHRISTOPHER HORN AS A DIRECTOR – ORDINARY RESOLUTION**

**3.1** Pursuant to the constitution of the Company and the Listing Rules, Mr Christopher Horn is required to retire by rotation as a director of the Company at the Annual General Meeting. Mr Christopher Horn being eligible has offered himself for re-election as a director at the Annual General Meeting.

**3.2** The qualification and material directorships of Mr Christopher Horn is as outlined below:

Independent Non-Executive Director and Chairman of the Audit & Risk Committee

Appointed November 2013

Qualifications: B.Com FCA

Mr Horn is an experienced business executive and has acted in a number of management roles including 20 years as a partner of KPMG 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 Chartered Accountants in Australia and New Zealand.

**3.3** The Board is of the view that Mr Christopher Horn qualifies as an “independent director” of the Company (as that term is defined in the Listing Rules).

**3.4** The Board (with Mr Christopher Horn abstaining) recommends that shareholders vote in favour of this resolution.

### **4. RESOLUTION 4 – APPROVAL TO ISSUE UP TO 5,000,000 OPTIONS TO EMPLOYEES, CONTRACTORS AND DIRECTORS**

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.

#### **4.1 General**

The Board seeks approval to issue up to 5,000,000 options to acquire ordinary shares in the Company (“Options”) to employees, contractors, and Directors of the Company.

The Directors consider that it is beneficial for the Company to offer and to subsequently issue Options to Directors, senior officers, and employees, for the following reasons:

- The issue will encourage recipients of the Options to hold shares in the Company assisting in aligning their interests with those of shareholders.
- The opportunity to offer Options to prospective Directors, senior officers and employees will assist the Company in securing the services of those parties as part of the package available to be offered.



- The offer of Options provides an appropriate way to incentivise Directors, senior officers and employees without the Company incurring a direct cash cost.

The Board proposes to issue:

- 1,000,000 Options to Ms Juliet Hull, an executive director of the Company; and
- 1,000,000 Options to Dr. Dexter Cheung, a non-executive director of the Company
- 500,000 Options to Edmond Capcelea, Chief Technology Officer

The exercise price for the abovementioned Options will be \$0.10 per Option. The price has been set at approximately 60% above the price ruling as at the date of this notice.

The balance of the Options proposed to be issued will be set aside in a pool for allocation to existing or future executives of the Company. The exercise price payable upon the exercise of each Option will be determined by the market opening price on the date the Share Option Allocation Deed is signed, or when the recipient commences employment, whichever is the later. The Option exercise price will then be determined at 20% above this price for every year or part thereof to expiry. The issue of Options to employees must be completed within 36 months after the passing of resolution 4, and in the case of Options to be issued to Directors and contractors, within twelve months after passing resolution 4.

No Options from the pool will be allocated to any managing director.

#### **4.2 Dilutionary impact of exercise of Options**

The Options proposed to be issued to Directors (Ms Hull and Dr. Cheung) and Mr Capcelea represent 0.69% of the total share capital on issue as at the date of this Notice.

In the event that these Directors and Mr Capcelea, were to exercise all of their Options, and no other Options were exercised, Ms Hull, Dr Cheung and Mr Capcelea would hold 2,500,000 shares in the Company, representing approximately 0.68% 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 Options proposed to be issued to employees and contractors going forward represents 0.69% of the total share capital on issue as at the date of this Notice.

In the event that:

- All 2,500,000 Options were issued; and
- All 2,500,000 Options were exercised,

the holders of those options would hold 2,500,000 shares in the Company, representing approximately 0.68% of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

If all options on issue (those currently on issue and all options contemplated by this notice of meeting) are exercised the holders of those Options would hold 27,777,363 shares in the Company, representing approximately 7.1% (fully diluted) of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

#### **4.3 Terms of issue of the Options**

The principal terms of the Options are as outlined in Appendix 1.



#### **4.4 Requirement for Resolution**

Listing Rule 4.2.1 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 4.2.1.

**4.5** In the event the Resolution is passed the Options will be issued within thirty six months of the date of approval, in the case of employees and twelve months of the date of approval, in the case of Directors and contractors

In the event the Resolution is not passed the Company will not issue any options to Ms Hull or Dr Cheung, but the Board will still be entitled to issue certain options to contractors (Listing Rule 4.5) and to employees (Listing Rule 4.6).

#### **5. RESOLUTION 5 – APPROVAL TO ISSUE UP TO 5,000,000 OPTIONS TO APPOINTED DISTRIBUTORS OF THE COMPANY**

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.

##### **5.1 General**

The Board seeks approval to issue up to 5,000,000 options to acquire ordinary shares in the Company ("Distributors' Options") to Appointed Distributors of the Company.

The Directors consider that it is beneficial for the Company to have a Distributors' Option pool to be able to incentivise and reward Appointed Distributors that have contributed to the success of the Company in their territories.

- The issue will encourage recipients of the Distributors' Options to hold shares in the Company assisting in aligning their interests with those of the Company and shareholders.
- The issue of Distributors Options to Appointed Distributors will be determined by the Company based on the performance of each Appointed Distributors, from time to time.
- The opportunity to offer Distributors' Options to prospective distributors in new markets will assist the Company in successfully commercialising its products.
- The offer of Distributors Options provides an appropriate way to incentivise Appointed Distributors and to enable them to have an active interest in the successes of the Company.

The issue of Distributors Options will be set aside in a pool for allocation to existing or future Appointed Distributors of the Company. The exercise price payable upon the exercise of each Option will be determined by the market opening price on the date the Share Option Allocation Deed is signed, or when the recipient is an Appointed Distributor. The Option exercise price will then be determined at 20% above the market opening price on this day for every year or part thereof to expiry. The issue of Distributors Options to Appointed Distributors to be completed within twelve months after the passing of resolution 5.

No Distributors Options from the pool will be allocated to Related Party of the Company.



## **5.2 Dilutionary impact of exercise of Distributor Options**

The Options proposed to be issued to Distributors represent 1.4% of the total share capital on issue as at the date of this Notice.

In the event that Distributors Option holders were to exercise all of their Options, and no other Options were exercised, Distributors Option holders would hold 5,000,000 shares in the Company, representing approximately 1.4% of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

### **Total Distributor Options Pool**

The Options proposed to be issued to Appointed Distributors represent 1.4% of the total share capital on issue as at the date of this Notice.

In the event that:

- All 5,000,000 Options were issued; and
- All 5,000,000 Options were exercised,

the holders of those options would hold 5,000,000 shares in the Company, representing approximately 1.4% of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

If all options on issue (all options currently on issue and all options contemplated by this notice of meeting) are exercised the holders of those Options would hold 27,777,363 shares in the Company, representing approximately 7.1% (fully diluted) of the total number of shares on issue post the exercise of their Options and the issue of their new shares.

## **5.3 Terms of issue of the Options**

The principal terms of the Options are as outlined in Appendix 2.

## **5.4 Requirement for Resolution**

Listing Rule 4.2.1 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 4.2.1.

**5.5** In the event the Resolution is passed the Options will be issued within twelve months of the date of approval.

In the event the Resolution is not passed the Company will still be entitled to issue certain options to Appointed Distributors (Listing Rule 4.5), however this would reduce the Company's capacity to issue new shares.

## **6. OTHER BUSINESS**

There will be opportunity for shareholders to ask questions of the directors on the affairs of the company.

## Appendix 1 – Options

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 7 September 2024 (**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 the following dates of Grant (**Option Vesting Date**)
  - In the case of directors, on the date of Grant.
  - in the case of employees and contractors, on the following dates,
  - 50% of options issued to vest 12 months from the date of grant.
  - 50% of options issued to vest 24 months from the date of grant.
  - Option holders can exercise their vested options up to 90 days from cessation of employment with the Company.
- Options are not 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/ASX.



- 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.

## Appendix 2 – Distributors Options

Subject to applicable prevailing legislation in each overseas jurisdiction, and at the absolute discretion of the Company, the principal terms of the Distributors Options are as follows:

- Each Distributors Option entitles the holder to acquire one (1) Share.
- The Distributors Options are exercisable at any time up until 5.00pm on 7 September 2024 (**Distributors 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 Distributors Options vest on date of Grant (**Distributors Option Vesting Date**).
- Distributors Options are not freely transferable in whole or in part at any time prior to expiry.
- Shares issued on the exercise of an Distributor 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 Distributor 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 Distributors Option holders shall only be permitted to participate in a new issue of securities on the prior exercise of Distributors Options in which case the Distributors 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 Distributors 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 Distributors 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 Distributors Option is exercisable may be increased by the number of Shares which the holder of the Distributors Option would have received if the Distributors 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 Distributors Option may be reduced in accordance with the Listing Rules.



- Reminder notices will be forwarded to the Distributors Option holders prior to the expiry of the Distributors Options. Distributors Options not exercised before the expiry of the Distributors Option Exercise Period will lapse.
- The Distributors Options will be recorded on the Company's register of Distributors Option holders maintained at the share registry. The register will be open for inspection by the Distributors Option holders free of charge. Shares to be allotted on exercise of Distributors Options will be recorded on the Company's share register.
- The Distributors Options will not be quoted on the NZX/ASX.
- The Distributors Option holder, if appearing on the Company's register of Distributors 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.

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## SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Statement:

**\$ or NZ\$** means New Zealand dollars.

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

**Appointed Distributor** means an unrelated party of the Company with which it has executed a distribution agreement for the Company's products.

**ASX** means Australian Securities Exchange

**Board** means the current board of directors of the Company.

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

**Chair or Chairperson** means the chair of the Meeting.

**Company** means Truscreen Group Limited

**Constitution** means the Company's constitution.

**Companies Act** means the *Companies Act 1993*.

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Equity Securities** has the meaning giving in the NZX/ASX Listing Rules.

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

**NZX** means NZX Limited or the financial market operated by NZX Limited, as the context requires.

**NZX Listing Rules** means the Listing Rules of NZX.

**Option** means an option to acquire one fully paid ordinary share in the Company

**Proxy Form** means the proxy form accompanying the Notice.

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

**Related Party** means as defined in S291A of the New Zealand Companies Act 1993.

**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.

