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ZENTAS HEALTHCARE LIMITED
ABN 78 009 074 588

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at RSM Australia Partners at Level 21, 55 Collins Street, Melbourne 3000 on Friday 27 October 2017 at 10.30am (AEDT).

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 398 213 708

Shareholders are urged to vote by attending or lodging the proxy form attached to this Notice.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of shareholders of Zenitas Healthcare Limited (**Company**) will be held at the offices of RSM Australia Partners, Level 21, 55 Collins Street, Melbourne Victoria 3000 on Friday 27 October 2017 at 10.30am (AEDT) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

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 as Shareholders on Wednesday 25 October 2017 at 7.00pm (AEDT).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in the Glossary.

AGENDA

1. ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. RESOLUTION 1 - REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the

Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 - RE-ELECTION OF MR JONATHAN LIM AS DIRECTOR

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

"That, for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Jonathan Lim, a Director who retires by rotation in accordance with the Constitution and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

4. RESOLUTION 3 - RE-ELECTION OF DR TODD CAMERON AS DIRECTOR

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

"That, for the purposes of clause 13.3 of the Constitution and for all other purposes, Dr Todd Cameron, a Director who retires by rotation in accordance with the Constitution and being eligible, offers himself for re-election, is re-elected as a Director of the Company."

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF 2,703,030 SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 2,703,030 ordinary shares to the Dimple Group Vendors on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Dimple Group Vendors and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

6. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF 463,001 SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 463,001 ordinary shares to the Modern Medical Group Nominees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Modern Medical Group Vendors, the Modern Medical Group Nominees, and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman 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.

7. RESOLUTION 6 - APPROVAL OF THE COMPANY EMPLOYEE SHARE OPTION PLAN

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

"That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9 and for all other purposes, approval is given for the ESOP and the issue of securities under it on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by any directors (except one who is ineligible to participate in the ESOP) and any of their associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

8. RESOLUTION 7 - APPOINTMENT OF AUDITOR

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

"That, for the purpose of section 327B of the Corporations Act and for all other purposes, RSM Australia Partners, be appointed as auditor of the Company with effect on and from the Close of the Meeting."

9. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of 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 Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman 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.

10. RESOLUTION 9 - APPROVAL OF FINANCIAL ASSISTANCE IN RELATION TO THE ACQUISITION OF THE DIMPLE GROUP

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

“That, for the purposes of section 260A and 260B(2) of the Corporations Act and for all other purposes, approval is given for Dimple and each of the Dimple Group Companies to financially assist the Company to acquire all of the issued shares in Dimple, as described in the Explanatory Memorandum accompanying this Notice.”

11. OTHER BUSINESS

To transact any other business which may be properly brought before the meeting in accordance with the Company’s Constitution and the Corporations Act.

Dated: 19 September 2017

By order of the Board



Mr Adrien Wing
Company Secretary

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EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of RSM Australia Partners on Friday 27 October 2017 at 10.30am (AEDT).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Proxies

A Proxy Form is attached to the end of this Explanatory Memorandum . This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on that form. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.30am (AEDT) on Wednesday, 25 October 2017, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available online at www.zenitas.com.au.

At the Meeting, Shareholders will be given a reasonable opportunity to:

- (a) discuss the Annual Report, available online at www.zenitas.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 - REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Under the Corporations Act, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the Meeting (a **Strike**), and then again at the Company's subsequent annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's annual general meeting. All of the Directors who were in office when the relevant Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Company's Remuneration Report did not receive a Strike at the 2016 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a

second Strike is received at the 2018 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary non-binding resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

4.1 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

4.2 Authorisation of Chairman to vote undirected proxies

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 2 - RE-ELECTION OF MR JONATHAN LIM AS DIRECTOR

5.1 General

Resolution 2 provides that Mr Jonathan Lim retires by rotation and seeks re-election as a Director.

Mr Lim (BBus (Dtn) (UTS), F Fin, CAIA Executive Director) is the Managing Director of Liverpool Partners and has led the recapitalisation and change in strategy of the Company. Mr Lim has a strong experience in the health care sector including acting as a trusted advisor to a range of listed health care companies. He has an extensive background in private equity and corporate finance.

Further details of the qualifications and experience of Mr Jonathan Lim are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

5.2 Director Recommendation

The Board (excluding Mr Jonathan Lim) supports the re-election of Mr Jonathan Lim and recommends that Shareholders vote in favour of Resolution 2.

6. RESOLUTION 3 – RE-ELECTION OF DR TODD CAMERON AS DIRECTOR

6.1 General

Resolution 3 provides that Dr Todd Cameron retires by rotation and seeks re-election as a Director.

Dr Cameron (FRACGP, MAICD Executive Director) is a general practitioner with over 20 years' experience and one of the founders of the Modern Medical Group. His special interests are in complex and chronic health issues, cardiology and sports medicine.

Further details of the qualifications and experience of Dr Todd Cameron are in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

6.2 Director Recommendation

The Board (excluding Dr Todd Cameron) supports the re-election of Dr Todd Cameron and recommends that Shareholders vote in favour of Resolution 3.

7. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF 2,703,030 SHARES

7.1 General

Resolution 4 seeks to ratify the prior issue of 2,703,030 Shares to the Dimple Group Vendors (refer to the table below) on 28 August 2017 at an issue price of \$0.99 per share. The Company issued the Shares to the Dimple Group Vendors using its placement capacity under Listing Rule 7.1. The Shares were issued as part of the consideration arrangement between the Company and the Dimple Group Vendors pursuant to the terms of the acquisition agreement to acquire the Dimple Group business.

Details of the Dimple Group Vendors are:

Name of Dimple Group vendor	No of Shares
Damien James Property Holdings Pty Ltd	2,162,424
Nick Beckett	540,606
Total	2,703,030

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval under Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (was not an issue of more than 15% of share capital in a 12-month period) and ordinary shareholders subsequently approve the issue.

The effect of passing Resolution 4 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

7.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the placement as follows:

- (a) 2,703,030 Shares were issued to the Dimple Group Vendors on 28 August 2017.
- (b) The Shares were issued at \$0.99 per Share.
- (c) The Shares were issued as fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.
- (d) The Shares were issued as consideration for the acquisition of the Dimple Group.
- (e) A voting exclusion statement is included in the Notice for Resolution 4.

7.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

8. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF 463,001 SHARES

8.1 General

Resolution 5 seeks to ratify the prior issue of 463,001 Shares to the Modern Medical Group Nominees (refer to table below) on 13 April 2017. The Company issued the Shares to the nominees of the Modern Medical Group Vendors using its placement capacity under Listing Rule 7.1. The Shares were issued as consideration for satisfying the earn-out and post completion payments under the Modern Medical Group Sale Deed, and as described in the prospectus dated 15 November 2016 and Supplementary Prospectus dated 24 November 2016.

Details of the shares issued to the Modern Medical Group Nominees are:

Name of Modern Medical Group Nominee	No of Shares
Torac Pty Ltd	208,351
JKS Group Holdings Pty Ltd	138,900
Como Group Holdings Pty Ltd	115,750
Total	463,001

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval under Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (was not an issue of more than 15% of share capital in a 12-month period) and ordinary shareholders subsequently approve the issue.

The effect of passing Resolution 5 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

8.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) 463,001 of Shares were issued to the Modern Medical Group Nominees on 13 April 2017.
- (b) The Shares were issued as consideration for satisfying the earn-out and post completion payments to the Modern Medical Group Vendors under the Modern Medical Group Sale Deed, and as described in the prospectus dated 15 November 2016 and Supplementary Prospectus dated 24 November 2016.
- (c) The Shares were issued at \$1.036 per Share.
- (d) The Shares were issued as fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.
- (e) A voting exclusion statement is included in the Notice for Resolution 5.

8.3 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

9. RESOLUTION 6 – APPROVAL OF THE COMPANY EMPLOYEE SHARE OPTION PLAN

9.1.1 This resolution seeks Shareholder approval for the Company's ESOP.

9.1.2 The Board recognises the need to adequately incentivise and remunerate Eligible Persons (including employees) and proposes to introduce the ESOP to achieve this goal. A summary of the terms of the ESOP is set out in *Schedule 2 to this Explanatory Memorandum*.

There have been no securities issued under the ESOP previously.

9.1.3 The ESOP is designed to:

- (a) align Eligible Persons' (including employees) incentives with Shareholders' interests;
- (b) encourage broad based share ownership by Eligible Persons; and
- (c) assist with the attraction and retention of Eligible Persons.

9.1.4 A voting exclusion statement is included in the Notice for Resolution 6.

9.2 Why is Member Approval Required?

- 9.2.1 Listing Rule 7.1, subject to certain exceptions, requires the Company to obtain Shareholder approval to issue more than 15% of its capital in any 12-month period. However, Listing Rule 7.2 (exception 9) provides an exception to Listing Rule 7.1 where Shareholders have approved within the previous 3 years the issue of securities under the employee incentive scheme as a specific exception to Listing Rule 7.1.
- 9.2.2 Resolution 6 proposes that Shareholders consider and approve the ESOP in accordance with Listing Rule 7.2 (exception 9), which will enable securities issued under the ESOP to be excluded from the Company's 15% limit under Listing Rule 7.1.

9.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

10. RESOLUTION 7 – APPOINTMENT OF AUDITOR

10.1 General

In February 2017, the Directors undertook a competitive tender process for the provision of audit services to the Company. This process identified RSM Australia Partners as the preferred provider of audit services. RSM Australia Partners then consented to be appointed auditors and ASIC consent was sought and received. The audit for the year ended 30 June 2017 has been conducted by RSM Australia Partners. The Company seeks shareholder ratification and approval for the appointment of RSM Australia Partners in accordance with section 327B of the Corporations Act.

10.2 Director Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

11. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

11.1 General

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**) without further shareholder approval if that 10% Placement Facility is approved at that annual general meeting. 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 an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c)).

The Directors believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 8 is a special resolution and therefore 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).

The Chairman intends to exercise all available proxies in favour of Resolution 8.

11.2 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.

(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 quoted classes of Equity Securities, 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 x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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 12 months before the date of the issue or

agreement to issue that are not issued with Shareholder approval 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.

At the date of the Notice, the Company has on issue 47,479,709 Shares and, assuming that Resolutions 4 and 5 (inclusive) are passed, will have capacity to issue within the 12 months following the annual general meeting:

- (i) 7,121,956 Equity Securities under Listing Rule 7.1 without Shareholder approval; and
- (ii) subject to Shareholder approval being given under Resolution 8, 4,747,971 Equity Securities under Listing Rule 7.1A.

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 to Section 11.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), 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 earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval 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),

or such longer period if allowed by ASX,

(the **10% Placement Period**).

11.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

11.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.
- (b) If Resolution 8 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 below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
- (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 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,
- which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares 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 the Notice.
- (d) The table also shows:
- (i) 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

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.66 50% decrease in Issue Price	\$1.32 Issue Price	\$2.64 100% increase in Issue Price
Current Variable A 47,688,391 Shares	10% Voting Dilution	4,768,839 Shares	4,768,839 Shares	4,768,839 Shares
	Funds raised	\$3,147,433	\$6,294,867	\$12,589,734
50% increase in current Variable A 71,532,586 Shares	10% Voting Dilution	7,153,258 Shares	7,153,258 Shares	7,153,258 Shares
	Funds raised	\$4,721,150	\$9,442,300	\$18,884,601
100% increase in current Variable A 95,376,782 Shares	10% Voting Dilution	9,537,678 Shares	9,537,678 Shares	9,537,678 Shares
	Funds raised	\$6,294,867	\$12,589,734	\$25,179,469

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Listed 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.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to any particular Shareholder by reason of placements under the 10% Placement Facility. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

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- (v) 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.
 - (vi) 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.
 - (vii) The issue price is \$1.32, being the closing price of the Shares on ASX on 14 September 2017.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
 - (f) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by the note to Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
 - (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
 - (h) 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 subscribers of Equity Securities will be determined on a case-by-case basis having regard to the 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 issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
 - (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

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

- (j) In the 12 months preceding the date of the Meeting the Company issued a total of 35,263,590 Equity Securities which represents approximately 188% of the total number of Equity Securities on issue at 27 October 2016. Further detail as required under Listing Rule 7.3A.6 in respect of these Share issues is set out in Schedule 1.
- (k) A voting exclusion statement is included in the Notice for Resolution 8.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder nor identified any identifiable class of existing security holder to participate in the issue of the Equity Securities. Therefore, the Company does not propose to exclude any existing Shareholder's votes under the voting exclusion in the Notice.

11.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

12. RESOLUTION 9 – APPROVAL OF FINANCIAL ASSISTANCE IN RELATION TO THE ACQUISITION OF DIMPLE GROUP

12.1 Acquisition

12.1.1 Dimple Group Holdings Pty Ltd ACN 605 555 315 (**Dimple**) is a proprietary limited company and the holding company for the following wholly owned subsidiaries (**Dimple Group Companies**):

12.1.1.1 Dimple Care Pty Ltd ACN 119 815 404;

12.1.1.2 Dimple Management Pty Ltd ACN 605 557 042; and

12.1.1.3 Dimple IP Pty Ltd ACN 605 558 41.

12.1.2 Under a share purchase agreement dated 26 July 2017 between the Company and the Dimple Group Vendors, the Company agreed to acquire the entire share capital of Dimple (the **Dimple Acquisition**).

12.1.3 On completion of the Dimple Acquisition on 28 August 2017, Dimple became a wholly owned subsidiary of the Company.

12.1.4 The Company is a listed domestic corporation that is not itself a subsidiary of another domestic corporation.

12.2 Facility

12.2.1 To enable the Company to complete the Dimple Transaction, the Company entered into a Business Finance Agreement (**Dimple Facility**) with Westpac Banking Corporation (**Financier**).

12.2.2 It is a condition subsequent to the Dimple Facility that Dimple and its wholly-owned subsidiaries (the **Dimple Group**) grant in favour of the Financier the following (**Dimple Required Securities**):

- 12.2.2.1 an unlimited guarantee and indemnity of the obligations of the Company to the Financier (**Guarantee**); and
- 12.2.2.2 a general security agreement over all of its present and future assets and undertakings.

12.3 Why Shareholder approval is required

- 12.3.1 The giving of the Required Securities by Dimple and each of the Dimple Group Companies constitutes the granting of financial assistance in connection with the acquisition of shares in Dimple (**Financial Assistance**) for the purpose of section 260A of the Corporations Act (because the Company has used the Facility to acquire shares in Dimple).
- 12.3.2 Under section 260A of the Corporations Act a company may not give financial assistance in connection with the acquisition of its own shares or shares in its holding company unless:
 - 12.3.2.1 members of the company (and the members of any holding company) approve the financial assistance; or
 - 12.3.2.2 another exemption applies.
- 12.3.3 As there are no applicable exemptions, member approval is required before Dimple or the Dimple Group Companies may give the Required Securities.
- 12.3.4 Further, if the company giving financial assistance will be a subsidiary of a listed domestic corporation immediately after the acquisition in respect of which the financial assistance is given, then section 260B(2) of the Corporations Act requires the shareholders of that company to also approve the financial assistance by special resolution at a general meeting.
- 12.3.5 As the Company is a listed Australian corporation and now the ultimate holding company of Dimple and the Dimple Group Companies following the Dimple Acquisition, Shareholder approval for the Financial Assistance is required.
- 12.3.6 Under the Dimple Facility, the Company is obliged to comply with all relevant procedures (including the passing of Resolution 9) under sections 260A-260D of the Corporations Act at its next general meeting of Shareholders.
- 12.3.7 Approval of the granting of the Financial Assistance must be given by a special resolution. Resolution 9 is a special resolution and will only be passed if at least 75% of the votes cast by members entitled to vote on the Resolution are in favour of the Resolution.

12.4 Reasons for giving financial assistance

- 12.4.1 The Company uses funds made available under the Dimple Facility to finance all of the consideration payable under the Dimple Acquisition, to provide working capital for each of the Company, Dimple and the Dimple Group Companies, and to pay certain transaction costs and fees associated with the Dimple Acquisition.
- 12.4.2 The reason for the giving of Financial Assistance by Dimple and the Dimple Group Companies described above is to enable the Company to comply with its

obligations under the Dimple Facility and to ensure that the Dimple Facility remains available to the Company.

- 12.4.3 If such obligations are not complied with, an “event of default” under the Dimple Facility could occur, which will result in insufficient funds being available to the Company generally and for the Dimple Acquisition.

12.5 Effect of proposed financial assistance

- 12.5.1 As the Company is already liable for the amounts payable under the Dimple Facility, the giving of the Financial Assistance as described in this Explanatory Memorandum by Dimple and the Dimple Group Companies is unlikely to have any adverse effect on the Company.
- 12.5.2 The substantial effect of the Financial Assistance on Dimple and the Dimple Group Companies is that each entity will have guaranteed all amounts payable under the Dimple Facility and have granted the security for such obligations. The operations of Dimple and the Dimple Group Companies will also be restricted by the representations and undertakings given by it under the Dimple Facility.
- 12.5.3 The Directors of the Company do not currently believe that the Company, Dimple nor the Dimple Group Companies are likely to default on their obligations under the Dimple Facility.

12.6 Advantages of the proposed resolution

- 12.6.1 The advantages to the Company of its Shareholders approving the proposed financial assistance are:
- (a) under the Dimple Facility, the Company has given an undertaking that Dimple and the Dimple Group Companies will provide the proposed financial assistance. The approval of Resolution 9 will enable the Company to comply with that undertaking, so that it can continue to enjoy the benefits of the Dimple Facility;
 - (b) if an event of default occurs, the Financier may require immediate repayment of the amounts due under the Dimple Facility and related finance documents; and
 - (c) the Directors of the Company believe that the Dimple Facility was the most efficient form of financing available to fund the Dimple Acquisition.
- 12.6.2 The advantages to each of Dimple and the Dimple Group Companies providing the proposed financial assistance are:
- (a) having continued access to funding by ensuring compliance with the Dimple Facility, and having improved access to funding as a result of integrating with the Company;
 - (b) benefiting from synergies, cost savings and greater growth potential through its integration with the Company; and
 - (c) the directors of each of Dimple and the Dimple Group Companies believe that the Dimple Facility was the most efficient form of financing available to assist the Company to fund the Dimple Acquisition.

12.7 Disadvantages of the proposed resolution

12.7.1 The Directors consider that there is no disadvantage to the Company by Shareholders approving the proposed financial assistance, because the Company is already a party to, and is liable for amounts payable under, the Dimple Facility and related finance documents.

12.7.2 The disadvantages of the proposed financial assistance for each of Dimple and the Dimple Group Companies are:

- (a) each of Dimple and the Dimple Group Companies will become liable for the amounts payable under the Dimple Facility and related finance documents;
- (b) each of Dimple and the Dimple Group Companies' assets will be subject to security and its operations will be restricted by the representations and undertakings given by it under the Dimple Facility Agreement;
- (c) the Company or each of Dimple and the Dimple Group Companies may default under the Dimple Facility;
- (d) following an event of default, the Financier may make a demand under the guarantee provided by each of Dimple and the Dimple Group Companies requiring immediate repayment of the amounts due under the Dimple Facility;
- (e) the Financier may enforce the guarantee and/or security granted by each of Dimple and the Dimple Group Companies to recover amounts due; and
- (f) the ability of each of Dimple and the Dimple Group Companies to independently obtain finance from other sources may be restricted as a result of it being a party to the Dimple Facility and related finance documents.

12.8 Notice to ASIC

As required by section 260B(5) of the Corporations Act, a copy of this Notice (including this Explanatory Memorandum) was lodged with ASIC prior to being dispatched to Shareholders.

12.9 Disclosure

The Directors consider that this Explanatory Memorandum contain all information known to the Company that may be material to Shareholders in deciding how to vote on Resolution 9, other than information which would be unreasonable to require the Company to include because it has previously been disclosed to Shareholders.

12.10 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

GLOSSARY

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

AEDT means Australian Eastern Daylight Saving Time, being the time in Melbourne, Victoria.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2017.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Zenitas Healthcare Limited (ABN 78 009 074 588).

Constitution means the constitution of the Company as at the commencement of the Meeting.

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

Dimple means Dimple Group Holdings Pty Ltd ACN 605 555 315.

Dimple Acquisition has the meaning given to that term in paragraph 12.1.2 of this Explanatory Memorandum.

Dimple Facility has the meaning given to that term in paragraph 12.2.1 of this Explanatory Memorandum.

Dimple Group Companies means each of:

- (a) Dimple Care Pty Ltd ACN 119 815 404;
- (b) Dimple Management Pty Ltd ACN 605 557 042; and
- (c) Dimple IP Pty Ltd ACN 605 558 41.

Dimple Group Vendors means Damien James Property Holdings Pty Ltd (ACN 157 791 823) and Mr Nick Beckett.

Dimple Required Securities has the meaning given to that term in paragraph 12.2.2 of this Explanatory Memorandum.

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.

Eligible Person is defined in the ESOP to mean a person who is:

- (a) a full-time or permanent part-time employee of a body corporate in the Group;
- (b) a director (whether executive or non-executive) or Senior Manager who is a full-time or permanent part-time employee or officer of a body corporate in the Group; or
- (c) a consultant to a body corporate in the Group.

Equity Security has the same meaning as in the Listing Rules.

ESOP means the Company's Employee Share Option Plan.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financier means Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714, being the financier under the Dimple Facility.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

Listed Option means an Option listed on ASX.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Modern Medical Group means integrated primary care clinics operating under the Modern Medical Group brand.

Modern Medical Group Nominees means Torac Pty Ltd (ACN 094 665 488); JKS Group Holdings Pty Ltd (ACN 083 232 115); and Como Group Holdings Pty Ltd (ACN 108 887 216).

Modern Medical Group Vendors means Modern Medical Pty Ltd (ACN 104 762 272) as trustee for the Modern Medical Administration Trust (ABN 69 466 866 957), the Modern Medical Balwyn Unit Trust (ABN 63 288 108 673), and the Modern Medical Caroline Springs Unit Trust (ABN 74 423 684 076); Caroline Springs Specialist Centre Pty Ltd (ACN 138 468 729) as trustee for the Caroline Springs Specialist Centre Unit Trust (ABN 65 296 310 343); and Modern Medical Group Pty Ltd (ACN 608 692 241).

Modern Medical Group Sale Deed means the sale deed pursuant to which BGD Medical Centres Pty Ltd (ACN 608 964 049), a wholly owned subsidiary of the Company, acquired the Modern Medical Group from the Modern Medical Group Vendors.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

SCHEDULE 1: LISTING RULE 7.3A.6 DISCLOSURE

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
1.	30 December 2016	30,280,000	Fully paid ordinary shares ranking equally with the Company's existing shares	Public Offering	\$1.00	Closing price/re-listing price: \$1.00 Nil% discount	Total consideration(A\$):	\$30,280,000
							Amount of consideration spent (A\$):	\$30,280,000
							What consideration was spent on:	As described in the prospectus dated 15 November 2017 and Supplementary Prospectus dated 24 November 2016
							Intended use for remaining consideration:	Nil
2.	30 December 2016	1,747,532	Fully paid ordinary shares ranking equally with the Company's existing shares	Partial consideration for acquisition described in the prospectus dated 15 November 2017 and Supplementary Prospectus dated 24 November 2016	Non cash consideration	Deemed issue price: \$1.00 Closing price/re-listing price: \$1.00 Nil discount	Total consideration(A\$):	No cash consideration. Shares issued representing \$1,747,532 in partial consideration for acquisition described in the prospectus dated 15 November 2017 and Supplementary Prospectus dated 24 November 2016
							Amount of consideration spent (A\$):	N/a
							What consideration was spent on:	N/a
							Intended use for remaining consideration:	N/a

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
3.	30 January 2017	14,005	Fully paid ordinary shares ranking equally with the Company's existing shares	Existing option holders. Issued upon exercise of options at \$0.714 (\$9,999.57 in aggregate) each to acquire fully paid ordinary shares	Exercise price: \$0.714	N/a	Total consideration(A\$):	Issued upon exercise of options at \$0.714 (\$9,999.57 in aggregate) each to acquire fully paid ordinary shares
							Amount of consideration spent (A\$):	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	Working capital
4.	10 February 2017	56,022	Fully paid ordinary shares ranking equally with the Company's existing shares	Existing option holders. Issued upon exercise of options at \$0.714 (\$39,999.71 in aggregate) each to acquire fully paid ordinary shares	\$0.021	N/a	Total consideration(A\$):	Issued upon exercise of options at \$0.714 (\$39,999.71 in aggregate) each to acquire fully paid ordinary shares
							Amount of consideration spent (A\$):	N/a
							What consideration was spent on:	N/a
							Intended use for remaining consideration:	Working capital

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
5.	13 April 2017	463,001	Fully paid ordinary shares ranking equally with the Company's existing shares	Issue of shares to satisfy Earn-Out and Post-Completion payments under the Modern Medical Group Sale Deed, and as described in the Prospectus dated 15 November 2016 and Supplementary Prospectus dated 24 November 2016.	Non cash consideration	Deemed issue price: \$1.036 Closing price: \$1.04 0.38% premium	Total consideration(A\$):	Non cash consideration. Issue of shares to satisfy Earn-Out and Post-Completion payments under the Modern Medical Group Sale Deed, and as described in the Prospectus dated 15 November 2016 and Supplementary Prospectus dated 24 November 2016.
							Amount of consideration spent (A\$):	N/a
							What consideration was spent on:	N/a
							Intended use for remaining consideration:	N/a
6.	17 August 2017	2,703,030	Fully paid ordinary shares ranking equally with the Company's existing shares	Issue of shares to Dimple Group Vendors pursuant to the terms of the acquisition agreement to acquire the Dimple Group business, as described in ASX announcement 27 July 2017	Non cash consideration	Deemed issue price: \$0.99 Closing price: \$1.16 17.17% premium	Total consideration(A\$):	Non-cash consideration. Issue of shares to Dimple Group Vendors pursuant to the terms of the acquisition agreement to acquire the Dimple Group business, as described in ASX announcement 27 July 2017
							Amount of consideration spent (A\$):	N/a
							What consideration was spent on:	N/a

No.	Date of Issue	Number	Class	Persons to whom the securities were issued	Issue price (A\$)	Discount/Premium to market price (per cent.)	Consideration	
							Intended use for remaining consideration:	N/a
7.	8 September 2017	208,682	Fully paid ordinary shares ranking equally with the Company's existing shares	Existing option holders. Issued upon exercise of options at \$0.714 (\$148,998.95 in aggregate) each to acquire fully paid ordinary shares	\$0.021	N/a	Total consideration(A\$):	Issued upon exercise of options at \$0.714 (\$148,998.95 in aggregate) each to acquire fully paid ordinary shares
							Amount of consideration spent (A\$):	N/a
							What consideration was spent on:	N/a
							Intended use for remaining consideration:	Working capital

SCHEDULE 2: SUMMARY OF ESOP RULES

Eligibility	<p>The ESOP is open to ‘Eligible Persons’, who are defined in the ESOP as:</p> <ul style="list-style-type: none"> (a) full-time or permanent part-time employees of a body corporate in the Group; (b) directors (whether executive or non-executive) or ‘senior managers’ who are full-time or permanent part-time employees or officers of a body corporate in the Group; or (c) consultants to a body corporate in the Group.
Offer of Options	<p>All Options are to be offered to Eligible Persons for no consideration. The ‘offer’ of Options must be in writing and specify, amongst other things, the number of Options being offered to the Eligible Person, any conditions to be satisfied before the Option can be exercised, the exercise price of the Options, and the period within which the Option may be exercised.</p>
Acceptance of Options	<p>An Eligible Person can only accept an offer of Options in writing. Acceptance must occur within 10 ‘business days’ after receipt of an offer or within such a longer period as specified in the offer. As soon as practicable after receiving acceptance of an offer, the Company will issue the Options and a certificate setting out all relevant information to the ‘participant’.</p>
Exercise	<p>The Options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company that states the number of Options being exercised, and by paying the exercise price in full. The Company will then issue the Shares that relate to the Options that were exercised. As soon as practicable after the issue of those Shares, the Company will apply for official quotation of such Shares on the ASX.</p> <p>The exercise price of the Options will be determined at the discretion of the Board at the time of making an ‘offer’.</p>
Lapse	<p>The Options shall lapse upon the earlier of the ‘expiry date’ specified by the Board, or the occurrence of events contained in the ESOP Rules or the offer.</p>
Rights attaching to Options	<p>Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Options (including number or exercise price or both) will be correspondingly changed to the extent necessary to comply with the Listing Rules. Other than these exceptions, the terms for the exercise of each Option remains unchanged.</p> <p>A holder of Options is not entitled to participate in dividends, a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds Options. Any Shares issued upon exercise of an Option will rank for dividends declared on or after the date of issue.</p> <p>However, if a pro rata bonus issue of securities is awarded by the Company, the Company in its absolute discretion may adjust the number of Shares over which an Option exists and the exercise price in the manner specified in the Listing Rules, in which case written notice will be given to the Option holder.</p>

	<p>Unless the subject of an express provision of an employment contract, the rights and obligations of any Eligible Person under the terms of their office, employment or contract with the Group are not affected by their participation in the ESOP. The ESOP rules do not form part of, and are not incorporated into, any contract of any Eligible Person (whether or not they are an employee of a Group company).</p> <p>The holding of Options does not confer on the Eligible Person any voting rights or other rights attributable to Share ownership.</p> <p>Amongst other things, nothing in the ESOP rules confers on any Eligible Person the right to become or remain a participant or to participate in the ESOP or to receive any Options other than provided under the ESOP and their offer.</p> <p>No Eligible Person has any right to compensation for any loss in relation to the ESOP.</p>
Assignment and Quotation of Options	The Options are not transferable or assignable without the prior written approval of the Board. The Options will not be quoted.
Transfer of Shares	If the Board imposes a 'restriction period', then the holder of Shares that were issued or transferred upon the exercise of Options must not dispose of or grant a 'security interest' over any of the Shares during the restriction period. The holder may apply to the Board for exemption from these restrictions, and the Board will have absolute discretion in determining the application which must occur within 1 month of receipt.
Administration	The ESOP is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation. The Board may form policy and make regulations for the operations of the ESOP which are consistent with the ESOP Rules and the Listing Rules.
Termination, amendment and waiver	<p>The ESOP may be terminated or suspended at any time by the Board but such suspension or termination will not affect nor prejudice rights of any participant or any person holding an Option at that time.</p> <p>Subject to the Listing Rules (including any waiver granted in relation to them), ASIC Class Order CO 14/1000 and the ESOP Rules, the Board (without the consent of the participants or Shareholders) may from time to time by resolution amend, revoke, add to or vary all or any of the provisions of these ESOP Rules.</p> <p>A change to terms of the Options may occur with the approval of ordinary shareholders of the Company.</p>

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

Holder Number:

Vote by Proxy: ZNT

Your proxy voting instruction must be received by **10.30am (AEDT) on Wednesday 25 October 2017**, 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.

Holder Number:

STEP 1: Please appoint a Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **10.30 am (AEDT) on Friday 27 October 2017 at RSM Australia Partners at Level 21, 55 Collins Street, Melbourne 3000** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions

	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Jonathan Lim as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Dr Todd Cameron as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of 2,703,030 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Prior Issue of 463,001 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the Company Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Financial Assistance in Relation to the Acquisition of the Dimple Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date ____ / ____ / ____

Email Address _____

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

STEP 4: Return

Return your completed form:



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



IN PERSON

Automic Registry Services
Level 3, 50 Holt Street,
Surry Hills NSW 2010

Contact us – All enquiries to Automic:



WEBCHAT

<https://automic.com.au/>



EMAIL

hello@automic.com.au



PHONE

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+61 2 9698 5414 (Overseas)