

**ALLEGRA ORTHOPAEDICS LIMITED  
NOTICE OF 2017 ANNUAL GENERAL MEETING**

Notice is hereby given that the 2017 Annual General Meeting of Allegra Orthopaedics Limited ACN 066 281 132 will be held at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066 on Wednesday, 25 October 2017 at 10:00 am AEDT.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary.

**1. Agenda for the Meeting**

**Financial statements and reports**

The Meeting will consider the financial statements and reports of the Company including the income statement, balance sheet, statement of changes in equity, cash flow statement, the notes to the financial statements, the Directors' declaration and the reports of the Directors and Auditors for the financial year ended 30 June 2017.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's financial statements and reports.

The Company's auditor, Crowe Horwath Sydney, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

The Allegra Orthopaedics Limited 2017 Annual Report can be viewed online at the Company's website [www.allegraorthopaedics.com](http://www.allegraorthopaedics.com) on the "ASX Information" page under "Investors".

**Resolution 1 - Adoption of Remuneration Report**

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

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2017 included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company."*

**Voting Exclusion Statement:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

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

**Resolution 2 – Re-election of Peter Kazacos as a Director**

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

*"That, Peter Kazacos, being a Director of the Company, retires pursuant to the Company's constitution, and having offered himself for re-election and being eligible, is re-elected as a Director of the Company."*

### **Resolution 3 – Approve the previous issue of 5,333,334 Shares**

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

*“That for the purposes of ASX Listing Rule 7.4 and all other purposes, the previous issues of 5,333,334 Shares at an issue price of \$0.15 raising \$800,000, as referred to in the Explanatory Statement, is approved.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by any person who participated in the placement or received a benefit and any of their associates. However, the Company need not disregard a vote if:

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

### **Resolution 4 – Approve placement of 3,333,333 Shares to Robinwood Investments Pty Ltd**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,333,333 Shares at an issue price of \$0.15 (15 cents) per share to Robinwood Investments Pty Ltd, a related party of a Director of the Company, to raise \$500,000, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Robinwood Investments Pty Ltd (or any of associates that company). However, the Company need not disregard a vote if:

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

### **Resolution 5 – Approve placement of 8,666,666 Shares**

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

*“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 8,666,666 Shares at an issue price of \$0.15 per Share raising up to \$1,300,000, as referred to in the Explanatory Statement”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person participating in the issue of securities and any of their associates. However, the Company need not disregard a vote if:

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

### **Resolution 6 – Approve placement of 666,666 Shares to a director, Mr Sean Mulhearn**

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

*“That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to issue up to 666,666 Shares to in the Company at an issue price of \$0.15 per Share raising up to \$100,000, to Mr Sean Mulhearn a director of the Company, as referred to in the Explanatory Statement”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Mulhearn (or his nominee(s)) and any of their associates. However, the Company need not disregard a vote if:

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

## **Resolution 7 - Approve issue of shares to Hartnell and Mulhearn associates (Rights Issue shortfall)**

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

*"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Company to issue up to 363,912 Shares to Mr Cameron Hartnell and Mr Thomas Mulhearn, both related parties of directors of the Company, under the shortfall offer of the 2017 Non-Renounceable Right Issue, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Messers Hartnell and Mulhearn (or their nominee(s)) and any of their associates. However, the Company need not disregard a vote if:

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

## **Resolution 8 – Approve Employee Share Option Plan**

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

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and all other purposes, approval is given to establish and administer the Company's Employee Share Option Plan and for the issue of Options pursuant to the Plan as an exception to ASX Listing Rule 7.1."*

**Voting Exclusion Statement:** The Company will, in accordance with ASX Listing Rule 10.14 and 14.11, disregard any votes cast on Resolution 8, by or on behalf of every Director who is eligible to participate in the Employee Share Plan and any of their associates, unless 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
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

## **Resolution 9 – Approval of issue of 82,452 Options to Peter Kazacos**

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

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 82,452 Options in the Company, to Peter Kazacos, a director of the Company, or his nominee, on the terms described in the Explanatory Statement."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution by Peter Kazacos and any of his associates. However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Resolution 10 – Approval of issue of 82,452 Options to Anthony Hartnell**

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

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 82,452 Options in the Company, to Anthony Hartnell, a director of the Company, or his nominee, on the terms described in the Explanatory Statement."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution by Anthony Hartnell and any of his associates. However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Resolution 11 – Approval of issue of 82,452 Options to Sean Mulhearn**

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

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 82,452 Options in the Company, to Sean Mulhearn, a director of the Company, or his nominee, on the terms described in the Explanatory Statement."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution by Sean Mulhearn and any of his associates. However, the Company need not disregard a vote if:

- 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
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Resolution 12 – Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A**

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

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

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

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

## **2. Determination of voting entitlement**

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 pm AEDT on Monday, 23 October 2017.

## **3. Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

## **4. Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company at Allegra Orthopaedics Limited, Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066, by post at PO BOX 305 Fitzroy VIC 3065 or by facsimile on +61 (0) 3 8678 1747 by 10:00 am AEDT on Monday, 23 October 2017.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can vote undirected proxies on the Resolutions 1, 4 and 6 to 11 provided that, the proxy form expressly authorises the Chairman to vote undirected proxies even though these Resolutions are connected with the remuneration of or the issue of securities to key management personnel.

A form of proxy accompanies this Notice of Meeting.

#### **5. Questions and Comments by Shareholders at the Meeting**

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, Crowe Horwath Sydney. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements;  
and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Crowe Horwath Sydney if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2017. Relevant written questions for Crowe Horwath Sydney must be received by the Company no later than 10:00 am AEDT on 18 October 2017. A representative of Crowe Horwath Sydney will provide answers to the questions at the Meeting.

Justyn Stedwell

***Company Secretary***

On behalf of the Board of Directors

Allegra Orthopaedics Limited

## **EXPLANATORY STATEMENT**

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **Resolution 1: Adoption of remuneration report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2017.

The Remuneration Report sets out details of the remuneration received by the Directors and key Company executives, in addition to describing Board policy in respect of remuneration.

Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act require a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2018 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a 'first strike'.

The Remuneration Report is set out in the Company's 2017 Annual Report. The Allegra Orthopaedics Limited 2017 Annual Report can be viewed online at the Company's website, [www.allegraorthopaedics.com](http://www.allegraorthopaedics.com).

### **Resolution 2: Re-election of Peter Kazacos as a Director**

In accordance with the Company's Constitution, Peter Kazacos, a Director of the Company retires by rotation at this Annual General Meeting and offers himself for election as a Director.

Details of Peter's qualifications, experience and special responsibilities are set out in the Company's 2017 Annual Report.

### **Resolution 3 – Approve the previous issue of 5,333,334 Shares**

#### **Background**

On 13 September 2017, the Company issued 5,333,334 Shares under a private placement raising \$800,000. The Shares were issued without the prior approval of Shareholders and in accordance with ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder approval for the previous issues 5,333,334 Shares on 13 September 2017, for the purposes of ASX Listing Rule 7.4 and all other purposes.

## ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 and/or 7.1A is treated as been made with approval if each of the following applies:

- a) the issue did not breach Listing Rule 7.1 or 7.1A, and
- b) the shareholders of ordinary securities subsequently approve the issue.

The issue of 5,333,334 Shares did not breach ASX Listing Rule 7.1 and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

If Resolution 3 is approved, the prior issue of 5,333,334 Shares may be treated by the Company as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities, without the Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

## Information required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars of the allotment and issue:

<b>Number of securities issued</b>	5,333,334 Shares.								
<b>The issue price of securities</b>	\$0.15 per Share raising \$800,000.								
<b>Terms of issue</b>	The Shares issued were all fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.								
<b>Name of allottees or basis on which allottees were determined</b>	<table><thead><tr><th>Shareholder</th><th>Placement Shares issued</th></tr></thead><tbody><tr><td>Andrew William and Skye Christine Leicester</td><td>1,666,667</td></tr><tr><td>Andrew William and Skye Christine Leicester ATF Leicester Super Fund</td><td>1,666,667</td></tr><tr><td>CLJE Investments Pty Ltd ATF CLJE Investments Trust</td><td>2,000,000</td></tr></tbody></table>	Shareholder	Placement Shares issued	Andrew William and Skye Christine Leicester	1,666,667	Andrew William and Skye Christine Leicester ATF Leicester Super Fund	1,666,667	CLJE Investments Pty Ltd ATF CLJE Investments Trust	2,000,000
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<b>Use of funds</b>	Working capital and commercialization of the Sr-HT Gahnite bone project.								

## Resolution 4 - Approve placement of 3,333,333 Shares to Robinwood Investments Pty Ltd

The resolution the subject of Item 4 seeks prior Shareholder approval for the Company to issue 3,333,333 fully paid ordinary shares to Robinwood Investments Pty Ltd ("Robinwood") at 15 cents per fully paid ordinary share raising \$500,000.

Robinwood is considered a related party of the Company as it is associated with a family member of Company director, Anthony Hartnell. Anthony Hartnell holds no direct interest in Robinwood.

## Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given on arm's length terms, that is on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of securities the subject of Resolution 4 will be on arm's length terms and, as such, falls within the exception set out in section 210 of the Corporations Act. The Company has reached this view as the shares to be applied for by Robinwood are on identical terms to those offered to non-related participants in the placement whom are arm's length investors in the Company. Accordingly, approval will not be sought under Chapter 2E for the issue of these Shares to Robinwood.

The Listing Rules do not contain a similar exception. Therefore, the Company is seeking approval under Listing Rule 10.11 notwithstanding the proposed issue being on arm's length terms.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Robinwood will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

### Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	3,333,333 Shares
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Shares will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Shares will be issued at an issue price of \$0.15 per Share.
<b>Terms of issue</b>	The Shares to be issued will be fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
<b>Persons to whom securities will be issued</b>	3,333,333 Shares will be issued to Robinwood Investments Pty Ltd or its nominee.



<b>Intended use of funds</b>	Working capital and commercialization of the Sr-HT Gahnite bone project.
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## Resolution 5 – Approve placement of 8,666,666 Shares

### General

Shareholder approval is sought for the issue of 8.666 million Shares at an issue price of \$0.15 per Share raising up to \$1.3 million.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares the subject of Resolution 5 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### Information required by ASX Listing Rule 7.3

In compliance with the information requirements of ASX Listing Rule 7.3, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	8,666,666 Shares
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Shares will occur no later than three month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Shares will be issued at an issue price of \$0.15 per Share.
<b>Terms of issue</b>	The Shares to be issued will be fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
<b>Persons to whom securities will be issued</b>	The allottees under the placement have not yet been determined. However, Shares will be issued to sophisticated investors identified by the Company and/or in accordance with section 708 of the Corporations Act.
<b>Intended use of funds</b>	Working capital and commercialization of the Sr-HT Gahnite bone project.

## Resolution 6 – Approve placement of 666,666 Shares to a director, Mr Sean Mulhearn

### General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 666,666 Shares to Mr Sean Mulhearn, a director of the Company under private placement. The Shares will be issued at 15 cents per fully paid ordinary share and will raise up to \$100,000.

Resolution 6 seeks Shareholder approval for the issue of Shares to Sean Mulhearn, a Director and related party of the Company or his nominee(s).

## Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given on arm's length terms, that is on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of securities the subject of Resolution 4 will be on arm's length terms and, as such, falls within the exception set out in section 210 of the Corporations Act. The Company has reached this view as the shares to be applied for by Sean Mulhearn (or his nominee) are on identical terms to those offered to non-related participants in the placement whom are arm's length investors in the Company. Accordingly, approval will not be sought under Chapter 2E for the issue of these Shares to Sean Mulhearn (or his nominee).

The Listing Rules do not contain a similar exception. Therefore, the Company is seeking approval under Listing Rule 10.11 notwithstanding the proposed issue being on arm's length terms.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares to Mr. Mulhearn as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr. Mulhearn will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

### Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	666,666 Shares
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Shares will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Shares will be issued at an issue price of \$0.15 per Share.
<b>Terms of issue</b>	The Shares to be issued will be fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
<b>Persons to whom securities will be issued</b>	666,666 Shares will be issued to Shaun Mulhearn or his nominee(s).

<b>Intended use of funds</b>	Working capital and commercialization of the Sr-HT Gahnite bone project.
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## **Resolution 7 – Approve issue of shares to 363,912 Hartnell and Mulhearn associates (Rights Issue shortfall).**

### **General**

As announced on 12 April 2017, the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 363,912 Shares to Mr Cameron Hartnell and Thomas Mulhearn, ‘related parties’ of the Company (as defined by the ASX listing rules) for their application for Shares under the shortfall offer under the Company’s 2017 Non-Renounceable Right Issue.

Resolution 7 seeks Shareholder approval for the issue of Shares to the Related Parties, Mr Cameron Hartnell and Thomas Mulhearn or their nominee(s).

### **Chapter 2E of the Corporations Act**

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a ‘financial benefit’ to a ‘related party’ unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party. Messers Hartnell and Melhearn are related parties of the Company by virtue of being related to Company Directors Tony Hartnell and Sean Mulhearn respectively.

Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given on arm’s length terms, that is on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm’s length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

Non-associated Director, Peter Kazacos, considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares to Messers Hartnell and Mulhearn because the Rights Issue Offer Document pursuant to which it was agreed that the Shares would be issued to Messers Hartnell and Mulhearn on the same terms as all other participants in the Rights Issue and the Rights Issue shortfall. Accordingly, approval will not be sought under Chapter 2E for the issue of these Shares to Messers Hartnell and Melhearn.

The Listing Rules do not contain a similar exception. Therefore, the Company is seeking approval under Listing Rule 10.11 notwithstanding the proposed issue being on arm’s length terms.

### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares to Messers Hartnell and Melhearn is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Messers Hartnell and Melhearn will not be included in the use of the Company’s 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

### Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	363,912 Shares
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Shares will occur no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Shares will be issued at an issue price of \$0.125 per Share.
<b>Terms of issue</b>	The Shares to be issued will be fully paid ordinary Shares in the capital of the Company and rank equally with all existing Shares on issue.
<b>Persons to whom securities will be issued</b>	303,372 Shares will be issued to Cameron Hartnell or his nominee(s), and 60,540 Shares will be issued to Thomas Mulhearn or his nominee(s).
<b>Intended use of funds</b>	Working capital and commercialization of the Sr-HT Gahnite bone project.

### Resolution 8 – Adoption of Employee Share Option Plan

The purpose of resolution 8 is to seek shareholder approval to establish and maintain the Company's Employee Share Option Plan ("the Plan") to provide ongoing incentives to employees and consultants of the Company. If this Resolution is passed, the Plan will enable the Company to issue options to subscribe for shares in the Company (and to issue Shares upon exercise of such Options) from time to time to employees and consultants as part of a performance based incentive program. The Options will be granted and issued under the Plan at the discretion of the Board.

ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of shareholders.

An exception to Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within three years of the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Resolution 8 seeks Shareholder approval to establish and maintain the Plan and to enable the Company to grant Options in accordance with the Rules of the Plan and as an exception to ASX Listing Rule 7.1 (in accordance with ASX Listing Rule 7.2 – Exception 9).

No Options have been issued by the Company in the previous three years under any current or previous Employee Share Option Plan.

The Rules of the Plan are set out in Appendix A.

### **Resolution 9 - Approval of issue of 82,452 Options to Peter Kazacos**

The Company proposes to issue 82,452 Options on to Peter Kazacos and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

#### **Chapter 2E of the Corporations Act**

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply. Shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to Peter Kazacos constitutes giving a financial benefit and Peter Kazacos is a related party by virtue of being a Director.

The Directors (other than Peter Kazacos who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Peter Kazacos because the Options form part of Peter's remuneration as an officer of the Company and the remuneration is reasonable given Peter's circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Peter Kazacos as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

#### **ASX Listing Rule 10.11**

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Peter Kazacos as part of his remuneration as an officer of the Company.

#### **Information required by ASX Listing Rule 10.13**

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	82,452 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.

<b>Terms of issue</b>	Each Option will entitle the holder to subscribe for one Share in the Company and will expire 6 years from the date of issue and will otherwise be issued on the terms and conditions set out in Annexure B.
<b>Persons to whom securities will be issued</b>	Peter Kazacos, a director of the Company, or his nominee.
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.

### **Directors' recommendation**

The Directors (with Peter Kazacos abstaining) recommend you vote for this resolution

### **Resolution 10 - Approval of issue of 82,452 Options to Anthony Hartnell**

The Company proposes to issue 82,452 Options on to Anthony Hartnell and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

### **Chapter 2E of the Corporations Act**

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of options to Anthony Hartnell constitutes giving a financial benefit and Anthony Hartnell is a related party by virtue of being a Director.

The Directors (other than Anthony Hartnell who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Anthony Hartnell because the Options form part of Anthony's remuneration as an officer of the Company and the remuneration is reasonable given Anthony's circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Anthony Hartnell as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

### **ASX Listing Rule 10.11**

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Anthony Hartnell as part of his remuneration as an officer of the Company.

### Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	82,452 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.
<b>Terms of issue</b>	Each Option will entitle the holder to subscribe for one Share in the Company and will expire 6 years from the date of issue and will otherwise be issued on the terms and conditions set out in Annexure B.
<b>Persons to whom securities will be issued</b>	Anthony Hartnell, a director of the Company, or his nominee.
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.

### Directors' recommendation

The Directors (with Anthony Hartnell abstaining) recommend you vote for this resolution.

### Resolution 11 - Approval of issue of 82,452 Options to Sean Mulhearn

The Company proposes to issue 82,452 Options on to Sean Mulhearn and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

### Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to Sean Mulhearn constitutes giving a financial benefit and Sean Mulhearn is a related party by virtue of being a Director.

The Directors (other than Sean Mulhearn who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Sean Mulhearn because the Options form part of Sean's remuneration as an officer of the Company and the remuneration is reasonable given Sean's circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Sean Mulhearn as the issue of the Options constitutes 'reasonable remuneration' in accordance with the section 211 of the Corporations Act.

**ASX Listing Rule 10.11**

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Sean Mulhearn as part of his remuneration as an officer of the Company.

**Information required by ASX Listing Rule 10.13**

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	82,452 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.
<b>Terms of issue</b>	Each Option will entitle the holder to subscribe for one Share in the Company and will expire 6 years from the date of issue and will otherwise be issued on the terms and conditions set out in Annexure B.
<b>Persons to whom securities will be issued</b>	Sean Mulhearn, a director of the Company, or his nominee.
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.

**Directors' recommendation**

The Directors (with Sean Mulhearn abstaining) recommend you vote for this resolution.

**Resolution 12 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A**

**ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12-month period commencing after the annual general meeting (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.



For the purposes of ASX Listing Rule 7.1A an 'eligible entity' 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, as at 20 October 2016, an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. Therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% (Up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

#### **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 fully paid 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 fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is 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 the approval of shareholders under Listing Rule 7.1 or 7.4.

#### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company.

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the

securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 1 year from the date of the Meeting; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital purposes, to fund the manufacturing, promotion and marketing of Company products, to expand the distribution of Company products and/or to fund the acquisition of new assets.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The allottees under the Additional Placement Capacity have not yet been determined but allottees may include existing shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Table 1 shows the dilution of 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).

Table 1 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 100% as against the current market price

**Table 1**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.08 50% decrease in Issue Price	\$0.16 Issue Price	\$0.32 100% increase in Issue Price
Variable A - 87,861,808 Shares	10% Voting Dilution	8,786,180 Shares	8,786,180 Shares	8,786,180 Shares
	Funds Raised	\$702,894	\$1,405,789	\$2,811,578
50% increase in Variable A - 131,792,712 Shares	10% Voting Dilution	13,179,271 Shares	13,179,271 Shares	13,179,271 Shares
	Funds Raised	\$1,054,342	\$2,108,683	\$4,217,367
100% increase in Variable A - 175,723,616 Shares	10% Voting Dilution	17,572,362 Shares	17,572,362 Shares	17,572,362 Shares
	Funds Raised	\$1,405,789	\$2,811,578	\$5,623,156

**Table 1 has been prepared based on the following assumptions:**

- Variable A is calculated as 7:00 pm AEDT on 13 September 2017.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only Shares.
- The Issue Price of \$0.16 was the price of Shares as traded on ASX as the time of preparing this Notice (13 September 2017).

The Company did not seek approval for the Additional Placement Capacity at its 2016 Annual General Meeting.

A voting inclusion statement is included in this Notice. In accordance with ASX Listing Rule 14.11.1 and the relevant Note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

**FURTHER INFORMATION**

**Justyn Stedwell**  
**Company Secretary**  
**Phone: +61(0)3 9191 0135**

**Allegra Orthopaedics Limited**  
**Level 8, 18-20 Orion Road,**  
**Lane Cove West, NSW 2066**  
**[www.allegraorthopaedics.com](http://www.allegraorthopaedics.com)**

## **GLOSSARY**

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEDT** means Australian Eastern Daylight Savings Time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

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

**Company** or **Allegra** means Allegra Orthopaedics Limited (ACN 066 281 132).

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

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement to this Notice of Meeting.

**Meeting** means the 2017 Annual General Meeting of the Shareholders of the Company to be held on 25 October 2017, to which the Notice of Meeting and Explanatory Statement relate.

**Notice of Meeting** means this notice of meeting of the Company dated 22 September 2017.

**Option** means an option to acquire a Share.

**Resolution** means a resolution referred to in the Notice.

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

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa. All references to currency are in Australian dollars.

**Annexure A**



**Rules of the  
Allegra Orthopaedics Limited Option Plan**

July 2017

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# Allegra Orthopaedics Limited Option Plan

## 1 Purpose

- 1.1 This Allegra Orthopaedics Limited Option Plan (the Plan) is governed by these Rules.
- 1.2 The purpose of the Plan is to:
  - (a) ensure that Eligible Employees have commonly shared goals related to producing relatively high returns for Shareholders,
  - (b) assist Eligible Employees to become Shareholders,
  - (c) provide a component of remuneration to enable the Company to compete effectively for the calibre of talent required for it to be successful, and
  - (d) help retain Eligible Employees, thereby minimising turnover and stabilising the workforce.

## 2 Interpretation

- 2.1 Unless the context otherwise requires:
  - (a) headings and subheadings are for convenience only and shall not affect interpretation except for specific cross-references,
  - (b) words denoting the singular shall include the plural, and the converse also applies,
  - (c) words denoting any gender include all genders,
  - (d) any reference to a party to any agreement or document includes its successors and permitted assigns and substitutes by way of assignment or novation, and
  - (e) any reference to any agreement or document includes that agreement or document as amended at any time.
- 2.2 The capitalised words used in these Rules have the meaning ascribed to them in Rule 32 Dictionary.

## 3 Administration

- 3.1 This Plan will be administered by the Board, but it may delegate responsibility to a committee of the Board in relation to all Participants or to the Chief Executive Officer and in relation to Participants other than the Chief Executive Officer. The Board is authorised, subject to the provisions of these Rules, to establish such guidelines for the administration of the Plan as are deemed appropriate, and to make determinations under the Plan as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

## 4 Eligibility

- 4.1 All full-time and permanent part-time employees including Directors and other persons selected by the Board in its absolute discretion are eligible to become Participants in the Plan.

## 5 Invitations

- 5.1 The Plan will operate through a series of Invitations. The Board will in its absolute discretion determine in respect of each occasion of making of Invitations, those Eligible Employees to whom Invitations will be made and the numbers of Option that each Eligible Employee will be invited to apply for.



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- 5.2 Each Invitation may contain terms and conditions that vary between Invitations. The terms and conditions that apply to an Invitation are to be determined by the Board and included in the Letter of Invitation.
- 5.3 It is intended that Invitations be made annually in respect of the Company's financial year and that Invitations will be made as soon after the annual general meeting of the Company as possible given any approvals that may be required such as from the Board and, in the case of Directors, from Shareholders. Subject to compliance with the Listing Rules and the Corporations Act, the Board may make Invitations at such times and to such Eligible Employees as it determines in its discretion.
- 5.4 The Board may in its absolute discretion withdraw an Invitation or reject an Application at any time prior to the Application being accepted and the Options being granted. Situations in which such withdrawals may occur include when the Board becomes aware that the employment of an Eligible Employee will cease in the near term.
- 5.5 Details to be contained in an Invitation will include each of the following to the extent applicable to the intended features of a particular Invitation and the Options that are the subject of the invitation:
- (a) name of the Eligible Employee,
  - (b) date of the Invitation
  - (c) number of Option in each Tranche, that may be applied for,
  - (d) price of the Options which will be nil, unless otherwise determined by the Board,
  - (e) Exercise Price will be determined by the Board,
  - (f) vesting conditions which are to apply to Options, as may be applicable to each Tranche,
  - (g) Measurement Period, if applicable,
  - (h) the Vesting Date or how the Vesting Date will be determined,
  - (i) whether any Shares to be provided to a Participant on exercise of Options that are the subject of an Invitation must be purchased on-market or may be acquired otherwise,
  - (j) other terms and conditions that the Board determines to include, and
  - (k) how to apply for Options that are the subject of the Invitation, including the name of the person to whom the Application should be sent and when it should be received by that person (Application Period).

## **6 Application for Options**

- 6.1 If an Application is made, it must be in writing (Notice of Application).
- 6.2 The form of Notice of Application and the time period within which Applications may be made shall be determined by the Board in its discretion from time to time. In submitting an Application, the Participant will be agreeing to be bound by these Rules.
- 6.3 Applications may only be made in relation to all of the Options outlined in an Invitation.

## **7 Granting of Options**

- 7.1 The Board will consider valid Applications for Options that are made in response to Invitations, and determine whether or not the applications are accepted, prior to making any grants.
- 7.2 The Company will use reasonable endeavours to grant the Options, unless otherwise withdrawn in accordance with Rule 5.4, within 30 days of the last date on which a valid

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Application may be made. Invitations will not be made prior to shareholder approval having been obtained when such approval is necessary.

- 7.3 Participants will be advised in writing when Options have been granted and the date of the grant, via a Notice of Grant.

## **8 Participants**

- 8.1 Eligible Employees whose applications have been accepted and have been granted Options will be referred to as Participants in the Plan.
- 8.2 They will remain Participants until all Options they have been granted have either lapsed or been exercised and both any risk of forfeiture and disposal restriction applicable to the Shares acquired by exercising the Options have ceased to apply.
- 8.3 The receipt of an Invitation or Invitations under the Plan does not guarantee nor confer any entitlement to receive any other Invitation under the Plan.

## **9 Options May Not Be Disposed of or Transferred or Encumbered**

- 9.1 Options may not be disposed of or transferred or otherwise dealt with (including for purposes of this Rule, encumbered or made subject to any interest in favour of any other person) and lapse immediately on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity, to the Participant's legal personal representative.

## **10 Measurement Periods**

- 10.1 The Measurement Period, if any, applicable to each Tranche in each Invitation to apply for Options will be determined by the Board and specified in the Letter of Invitation. Measurement Periods will relate to periods when performance and/or service conditions must be satisfied for Options to vest.

## **11 Vesting Conditions**

- 11.1 Vesting Conditions may relate to:
- (a) service of the Participant i.e. continued employment of the Participant with a Group Company, or
  - (b) performance of the Company or an aspect of the Company's operations or the performance of the Participant, or
  - (c) any combination of the foregoing determined by the Board for each Tranche.
- 11.2 Vesting Conditions must be specified in the Letter of Invitation, along with the relationship between various potential levels of performance and levels of vesting that may occur.
- 11.3 Performance conditions may vary between different Invitations and between different Tranches of Options described in an Invitation.

## **12 Vesting of Options**

- 12.1 Following the end of the Measurement Period, the Board will determine for each Tranche of Options to which the Measurement Period applies, the extent to which they each vest and notify Participants in writing of both the extent of vesting and the date of vesting which will be the date of the notification (Notice of Vesting), unless otherwise determined by the Board.
- 12.2 Prior to the end of a Measurement Period the Board may determine that some or all of the Options held by a Participant will vest in which case the Board will notify Participants in

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writing of both the extent of vesting and the date of vesting (Notice of Vesting) which will be the date of the notification, unless otherwise determined by the Board. In such circumstances the Board may also determine that any remaining Options will be forfeited and lapse in which case the Board shall notify Participants in writing, in a form determined by the Board in its absolute discretion.

### **13 Lapsing Of Options**

- 13.1 If Options in a Tranche have not vested and there is no opportunity for those Options to vest at a later date then they lapse.

### **14 Retesting**

- 14.1 Retesting may be applied to a Tranche of Options if specified in the relevant Letter of Invitation.
- 14.2 Retesting will only apply if nil vesting occurs for the Tranche at the end of the initial Measurement Period and will only occur once at the end of the Extended Measurement Period.
- 14.3 Retesting may only be applied to vesting conditions where the Extended Measurement Period does not empirically reduce the difficulty of achieving vesting.

### **15 When Options May Be Exercised**

- 15.1 Unvested Options may not be exercised.
- 15.2 Vested Options will be exercised as specified in Rule 16.

### **16 Exercise of Options**

- 16.1 Options may be exercised any time between the date they vest and the last day of their Term, inclusive.
- 16.2 To exercise an Option the Participant must complete and lodge, along with payment of the Exercise Price, with the Company Secretary of the Company, or other role nominated by the Board, an exercise election in such form as the Board may from time to time prescribe.
- 16.3 On exercise the Company will issue Shares to Participants.

### **17 Retirement Benefit Limit**

- 17.1 This Rule applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.
- 17.2 The Company is not required to provide, or procure the provision, of any benefit under Rule 17 which is not permitted by Part 2D.2 Division 2 of the Corporations Act in the absence of shareholder approval.
- 17.3 Any benefits required to be provided to a Participant in accordance with Rule 18 must be reduced to ensure compliance with Rule 17.2. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Rule 17.2.
- 17.4 The Company may, if the Board so decides, seek shareholder approval where Rule 17.2 applies at a general meeting.
- 17.5 The Company has sole discretion as to the wording of any resolutions or explanatory material or other information to be put to shareholders in connection with the approval.

- 17.6 If shareholder approval is sought under Rule 17.2 but the resolution is not passed by shareholders or the Board decides not to seek Shareholder approval, then Rule 17.2 applies to the payment of the benefit, unqualified.

## **18 Disposal Restriction Attached to Shares**

- 18.1 All Shares acquired by Participants as a consequence of the exercise of Options, shall be subject to a disposal restriction being that such Shares (Restricted Shares) may not be sold or disposed of in any way until their sale would not breach either:
- (a) the Company's share trading policy, or
  - (b) Division 3 of Part 7.10 of the Corporations Act.
- 18.2 If Shares subject to disposal restrictions are held in the name of the Participant then the Company may impose a CHESS holding lock to ensure that the disposal restrictions are complied with.
- 18.3 Disposal restrictions attached to Restricted Shares acquired when Options were exercised shall cease when the Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company, unless otherwise determined by the Board and specified in a Letter of Invitation. Once a Participant has ceased to be an employee of a Group Company and has not been immediately re-employed by another Group Company, the Company will remove any such holding lock that was in place at the date of the cessation of employment, unless otherwise determined by the Board and specified in the Letter of Invitation.

## **19 No Hedging**

- 19.1 Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Options (vested or unvested) or Restricted Shares.

## **20 Bonus Issues, Rights Issues and Capital Reorganisation**

- 20.1 In cases of bonus share issues by the Company the number of Options held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Options been fully paid ordinary shares in the Company, except in the case that the bonus share issue is in lieu of a dividend payment, in which case no adjustment will apply.
- (a) In the case of general rights issues to Shareholders the Exercise Price of the Options will be adjusted pursuant to ASX Listing Rule 6.22.2.
- 20.2 In the case of an issue of rights to other than to Shareholders there will be no adjustment to the Options.
- 20.3 In the case of other capital reconstructions the Board may, subject to the Listing Rules, make such adjustments to the Options as it considers appropriate with a view to ensuring that holders of Options are neither advantaged nor disadvantaged.

## **21 Termination of Employment**

- 21.1 If a Participant ceases to be an employee of a Group Company and is not immediately re-employed by another Group Company then all unvested Options held by the Participant will be forfeited and lapse unless and to the extent otherwise determined by the Board.

## **22 Change of Control Including Takeover**

- 22.1 In the event of a Change of Control including a takeover, all unvested Options will vest, unless otherwise determined by the Board.

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## **23 Major Return of Capital to Shareholders**

- 23.1 In the event of a major return of capital to Shareholders, unvested Options will vest in the proportion that the Company's share price has grown relative to the share price used to calculate the number of Options in an Invitation, or such proportion as is determined appropriate in the discretion of the Board, under the circumstances. The terms and conditions that apply to the remainder of the Options, in particular the standards of performance required in order to allow for vesting, would then be reviewed to account for the Company's changed circumstances.
- 23.2 In the event of a major return of capital to Shareholders, the Board will have sole and absolute discretion to vest unvested Options, or to determine that they will be unaffected, as may be appropriate in the circumstances of the return to Shareholders at the time. If the decision is made not to vest the Options, the number of Options may be adjusted to ensure that Participants are neither advantaged nor disadvantaged by the return of capital to Shareholders, at the Board's discretion.

## **24 Clawback**

- 24.1 While the Company has a policy governing clawback of incentive remuneration and that policy allows clawback of unvested and/or vested Options and/or Restricted Shares then in the event of any inconsistency between the Plan Rules and the clawback policy, the latter shall prevail.

## **25 Fraud, Gross Misconduct Etc.**

- 25.1 In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Options. The Company may also recover damages from vested Options and Restricted Shares held by or for the benefit of the Participant.

## **26 ASIC Class Order Compliance**

- 26.1 Invitations are intended to comply with the provisions of ASIC Class Order 14/1000 (or the equivalent at the time) including the limit on Invitations (referred to in the Class Order as "Offers") that may be made relying on the relief provided in that Class Order. The Board will take such action or refrain from taking actions so as to remain able to rely on the relief provisions of the Class Order, including notifying ASIC when it first relies on the Class Order.

## **27 Employee Share Scheme Taxing Provisions to Apply**

- 27.1 Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to this Plan including to all Options granted under the Plan and all Shares that arise from exercise of Options.

## **28 Board Determinations and Amendment of the Plan**

- 28.1 A determination by the Board or a Board committee or a delegate of the Board may be evidenced by minutes of a meeting of the Board or Board committee or a record of a determination by the delegate (as applicable). Any such minute or determination shall be prima facie evidence of the determination in the absence of manifest error.
- 28.2 The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Rules, including this Rule.
- 28.3 No amendment to or repeal of the Rules is to reduce the existing rights of any Participant in respect of any accepted Application that had commenced prior to the date of the amendment or repeal, other than with the consent of the Participant or where the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to a present or future State, Territory or Commonwealth legal requirement governing, regulating or effecting the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to address possible adverse tax implications for Participants generally or the Company arising from:
  - i. a ruling of any relevant taxation authority;
  - ii. a change to tax legislation or the application or termination of the legislation or any other statute or law (including an official announcement by any relevant taxation or government authority);
  - iii. a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
  - iv. to enable the Company to comply with the Corporations Act or the Listing Rules.

## 29 Not Exclusive Method of Incentive

- 29.1 This Plan shall not be an exclusive method of providing incentive remuneration for employees of the Company, nor shall it preclude the Company from authorising or approving other forms of incentive remuneration.

## 30 No Right to Continued Employment

- 30.1 Neither the establishment of the Plan nor receipt of an Invitation, nor the approval of an Application, nor the payment of an award nor the vesting of Options or any other action under the Plan shall be held to confer upon any Participant the right to continue in the employment of the Company or affect any rights the Company may have to terminate the employment of the Participant.

## 31 Relationship to Other Plans

- 31.1 Participation in the Plan shall not affect or be affected by participation in or payment under any other plan of the Company, except as otherwise determined by the Board.

## 32 Dictionary

- 32.1 Unless the context otherwise requires, the following terms and abbreviations have the following meanings.

<b>Application</b>	The act of submitting a Notice of Application or otherwise applying to receive Options under the Plan.
<b>Application Period</b>	The period between the date of a Letter of Invitation and the late date on which a Notice of Application may be submitted.
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691 (aka Australian Securities Exchange) or the securities market which it operates, as the context requires.
<b>Board</b>	The Board of the Company.
<b>Company</b>	Allegra Orthopaedics Limited ACN 066 281 132.

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<b>Change of Control</b>	When the earlier of the following occurs: <ul style="list-style-type: none"> <li>a) when one or more persons acting in concert have acquired or are likely to imminently acquire “control” of the Company as defined in section 50AA of the Corporations Act, or</li> <li>b) Board advises Participants that one or more persons acting in concert have acquired or are likely to imminently acquire “control” of the Company as defined in section 50AA of the Corporations Act.</li> </ul>
<b>CHESS</b>	Clearing House Electronic Sub-register System
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	Means a member of the Board whether in an executive or non-executive capacity.
<b>Eligible Employees</b>	Those employees of a Group Company who are eligible to become Participants under Rule 4.
<b>Exercise Price</b>	Means the amount, if any, specified in the Letter of Invitation as being the Exercise Price.
<b>Extended Measurement Period</b>	Means a Measurement Period which replaces the original Measurement Period for a Tranche of Options. It will commence on the same date as the replaced Measurement Period and finish a year later than the replaced Measurement Period unless otherwise determined by the Board.
<b>Group</b>	means the Company and its Related Bodies Corporate
<b>Group Company</b>	means any body corporate within the Group.
<b>Invitation</b>	An invitation to apply for a grant of Options under the Plan.
<b>Letter of Invitation</b>	Means the communication that contains the terms and conditions of the specific invitation to apply for Options, in respect of an Eligible Employee.
<b>Listing Rules</b>	The Listing Rules of the ASX.
<b>Measurement Period</b>	In relation to Invitations of Options means the period or periods specified in the Letter of Invitation in relation to conditions applying to the vesting of the Options.
<b>Notice of Application</b>	A document submitted by an Eligible Employee to apply for specific Options, as outlined in a Letter of Invitation, the valid submission of which binds the participants to the terms of the Invitation and these Rules, in relation to any Options that may be issued as a result.

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<b>Notice of Grant</b>	The document issued to a participant to notify them that a grant of Options has been made to them, which must include the date of the grant.
<b>Notice of Vesting</b>	The document issued to a Participant to notify them that Options have vested, including the date of vesting.
<b>Option</b>	Means an entitlement as determined in the discretion of the Board to <ul style="list-style-type: none"> <li>a) one Share for each option that is exercised and for which the Exercise Price is payable.</li> </ul>
<b>Participant</b>	See Rule 8.
<b>PAYG</b>	Pay As You Go tax instalment system.
<b>Plan</b>	Allegra Orthopaedics Limited Option Plan.
<b>Related Bodies Corporate</b>	Has the meaning in section 50 of the Corporations Act.
<b>Restricted Shares</b>	Shares acquired by exercise of vested Options and which are subject to disposal restrictions.
<b>Retesting</b>	Means the application of vesting conditions for a Tranche of Options on a second occasion at the end of an Extended Measurement Period.
<b>Rules or Plan Rules</b>	These Rules that govern the Plan.
<b>Shareholders</b>	Means those persons who hold Shares.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Term</b>	Means the period commencing on the date of grant of the Option and ending six years later unless otherwise determined by the Board and notified in the Letter of Invitation in respect of the Option.
<b>Tranche</b>	Refers to a group of Options defined by the fact that each Option in the group has identical terms and features.
<b>TSR</b>	Means Total Shareholder Return which represents the percentage return achieved during a specified period from investing in a company's shares assuming that dividends are reinvested into the company's shares.
<b>Vesting Conditions</b>	Conditions that must be satisfied in order for vesting to occur, as contemplated in Rule 11
<b>Vesting Date</b>	The date on which unvested Options become vested, as specified in a Notice of Vesting.



### **33 Governing Law**

33.1 These Rules are governed by the laws of New South Wales, Australia.

## ANNEXURE B – TERMS OF OPTIONS

<b>Entitlement</b>	Each Option entitles the holder (Option Holder) to subscribe for 1 Share (Option Share) on exercise of the Option.
<b>Exercise price</b>	The exercise price of the Options is still to be determined. The exercise price will be a fixed price and will not be lower than 12.5 cents per Option.
<b>Exercise period</b>	The Options are exercisable before the date that is 6 years from the date of issue.
<b>Expiry date</b>	Any Option not exercised before the end of the exercise period will automatically lapse.
<b>Exercise notice</b>	The Options may be exercised during the exercise period by notice in writing to the Company.
<b>Shares issued on exercise</b>	Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.
<b>Quotation of Options</b>	Options will be unlisted options.
<b>Transferability of Consideration Options</b>	Subject to the Corporations Act, the Listing Rules, and the constitution of the Company, each Option is freely transferable.
<b>Bonus issues</b>	If after the date on which the Options are issued, the Company makes a bonus issue of Shares (Bonus Issue) before some or all of the Options have been exercised, then the number of Option Shares to be issued on exercising those Options will be increased by the number of additional Option Shares to which the Option Holder would have been entitled had the Options held by the Option Holder at the record time for the Bonus Issue been exercised before the record time for the Bonus Issue.
<b>Adjustment for rights issue</b>	<p>If after the date on which the Options are issued, the Company makes a pro rata issue of Shares (other than a Bonus Issue to Shareholders, then the exercise price of each unexercised Option will be reduced according to the following formula:</p> $O - \frac{E[P - (S + D)]}{N + 1}$ <p>New exercise price =</p> <p>O = the old exercise price of the Option;</p> <p>E = the number of underlying Shares to which 1 Option is exercisable;</p> <p>P = the average market price per Share (weighted by reference to the volume) of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date;</p> <p>S = the subscription price of a Share under the pro rata issue;</p> <p>D = any dividend per Share due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and</p> <p>N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share under the pro rata issue.</p>

**ALLEGRA ORTHOPAEDICS LIMITED ACN 066 281 132  
PROXY FORM FOR ANNUAL GENERAL MEETING**

I/We \_\_\_\_\_  
of \_\_\_\_\_

am/are a member Allegra Orthopaedics Limited ACN 066 281 132 and I/we appoint as my/our proxy:

\_\_\_\_\_ of \_\_\_\_\_

Or failing the person names above, or if no person is named, the Chairman of the Annual General Meeting of the Company, to be held on 25 October 2017 at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066 at 10:00 am AEDT to vote for me/us at the meeting and at any adjournment of it. If 2 proxies are being appointed the proportion of voting rights this proxy is authorised to exercise is .....%. (The Company will supply an additional form on request).

**Voting directions to your proxy – please tick box to indicate your directions**

		For	Against	Abstain
<b>Resolution 1</b>	<b>Adoption of Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	<b>Re-election of Peter Kazacos as a Director</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	<b>Approve the previous issue of 5,333,334 Shares</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	<b>Approve placement of 3,333,333 Shares</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	<b>Approve placement of 8,666,666 Shares</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	<b>Approve placement of 666,666 Shares, Mr Sean Mulhearn</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b>	<b>Approve issue of shares to Hartnell and Mulhearn associates</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b>	<b>Adoption of Employee Share Option Plan</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b>	<b>Approval of issue of 82,452 Options to Peter Kazacos</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b>	<b>Approval of issue of 82,452 Options to Anthony Hartnell</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 11</b>	<b>Approval of issue of 82,452 Options to Sean Mulhearn</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 12</b>	<b>Approval of additional capacity to issue Shares</b>	<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.

The Chairman intends to vote undirected proxies on, and in favour of all resolutions. If you do not wish to direct your proxy on how to vote, please tick this box:

By ticking this box, I/we direct and expressly authorize, the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on the Resolutions (except where I/we have indicated a different voting intention above).

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

**Signature of Member(s)**

Date:.....

Individual or Member 1

**Sole Director/Company Secretary**

Member 2

**Director**

Member 3

**Director/Company Secretary**

Contact Name: .....

Contact Ph (daytime): .....

ALLEGRA ORTHOPAEDICS LIMITED ACN 066 281 132  
PROXY FORM FOR ANNUAL GENERAL MEETING

PROXY INSTRUCTIONS

A member entitled to attend and vote at a meeting is entitled to appoint not more than 2 proxies.

Where more than 1 proxy is appointed, each proxy may be appointed to represent a specific portion of the member's voting rights.

A proxy need not be a member of the Company.

A proxy form must be signed by the member or his or her attorney. Proxies given by corporations must either be signed in accordance with its constitution or the Corporations Act.

**To be valid, the form appointing the proxy and the Power of Attorney or other authority (if any) under which it is signed (or a certified copy) must be lodged with the Company by mail at PO Box 305 Fitzroy VIC 3065 or in person at Level 8, 18-20 Orion Road, Lane Cove West, NSW 2066 or by facsimile on + 61 (0) 3 8678 1747 by no later than 10:00 am AEST on 23 October 2017. Proxy forms received after this time will be invalid.**