
MYFIZIQ LIMITED

ACN 602 111 115

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am

DATE: 29 November 2017

PLACE: HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 27 November 2017.

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BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, 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, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER WALL

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

“That, for the purpose of clause 18.4 of the Constitution and for all other purposes, Peter Wall, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – EMPLOYEE OPTIONS**

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 for all other purposes, Shareholders ratify the issue of 6,825,000 Employee Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES SENSAPÉ GMBH**

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 for all other purposes, Shareholders ratify the issue of 538,555 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Sensapé GmbH and any associates of Sensapé GmbH. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PERFORMANCE RIGHTS – MR TERENCE STUPPLE**

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 for all other purposes, Shareholders ratify the issue of 2,500,000 Performance Rights to Mr Terence Stupple under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Terence Stupple and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. **RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR PETER WALL**

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a maximum of 6,000,000 Related Party Performance Rights to Mr Peter Wall (or his nominee) under the Incentive Performance Rights Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director of the Company – in the case of a trust, the responsible entity – who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:

- (i) a member of the Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and

the appointment does not specify the way the proxy is to vote on this Resolution.

8. RESOLUTION 7 – APPROVAL TO VARY TERMS OF VLADO BOSANAC PERFORMANCE RIGHTS

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 6.23.4 and for all other purposes, approval is given for the Company to vary the terms of existing Performance Rights issued to Vlado Bosanac on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Vlado Bosanac that is the subject of the approval and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ISSUE OF CONVERTIBLE LOAN 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 for all other purposes, approval is given for the Company to issue Shares under the Convertible Loan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 23 October 2017

By order of the Board



**Mr Kevin Hart
Company Secretary**

Voting in person

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

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.myfiziq.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER WALL

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Peter Wall, who has served as a director since 25 May 2015, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology companies, resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.

Mr Wall is currently a director of the following ASX listed entities:

- (a) Non-Executive Chairman of MMJ PhytoTech Ltd (appointed 14 August 2014)
- (b) Non-Executive Chairman of Minbos Resources Ltd (appointed 21 February 2014)
- (c) Non-Executive Chairman of Zyber Holdings Limited (appointed 9 January 2015)
- (d) Non-Executive Chairman of Activistic Ltd (appointed 15 June 2015)
- (e) Non-Executive Chairman of Transcendence Technologies Limited (appointed 6 October 2015)
- (f) Non-Executive Chairman of Sky & Space Global Ltd (appointed 27 October 2015)
- (g) Director of Ookami Limited (appointed 27 October 2015)
- (h) Non-Executive Chairman of Pursuit Minerals Limited (appointed 13 January 2016)
- (i) Non-Executive Chairman of Bronson Group Ltd (appointed 2 June 2017)

Mr Wall was appointed as Director on 25 May 2015.

3.3 Independence

If elected the board considers Mr Peter Wall will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Peter Wall and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – EMPLOYEE OPTIONS

4.1 General

On 21 December 2016, the Company issued 6,825,000 Employee Options in consideration for services provided by employees in accordance with the terms and conditions set out in Schedule 1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Employee Options (**Ratification**).

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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 6,825,000 Employee Options were issued;
- (b) the Employee Options were issued at variable exercise prices as set out in Schedule 1;
- (c) the Employee Options will be issued on the terms and conditions set out in Schedule 1;
- (d) the Employee Options were issued to those Eligible Employees as determined in accordance with Schedule 1; and
- (e) no funds were raised from this issue as the Employee Options were issued in consideration for services provided by the employees.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES SENSAPÉ

5.1 General

On 3 March 2017, the Company issued 538,555 Shares in consideration for services provided by Sensape GmbH (**Sensape**).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 538,555 Shares were issued;
- (b) the Shares were issued for nil consideration for services provided to the Company;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (d) the Shares were issued to Sensape. Sensape is not a related party of the Company.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PERFORMANCE RIGHTS – MR TERENCE STUPPLE

6.1 General

On 3 March 2017, the Company issued 2,500,000 Performance Rights to Terence Stupple pursuant to the Incentive Performance Rights Plan.

The Performance Rights will vest as follows:

- 1,000,000 Performance Rights vesting on release of a commercial partner app by the Company that is revenue generating with a company or an individual that has 5 million or more subscribers or followers;
- 500,000 Performance Rights vesting on Multi Tenancy/Partner administration account dashboard launch;
- 500,000 Performance Rights vesting on single user experience implementation (Stream 2) front camera, voice activation / automatic capture; and

- 500,000 Performance Rights vesting on an android commercial version being built and launched.

(Vesting Conditions).

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Performance Rights (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- 2,500,000 Performance Rights were issued;
- the Performance Rights were issued on nil consideration and will vest upon satisfaction of the Vesting Conditions;
- the Performance Rights will be issued on the terms and conditions set out in the Incentive Performance Rights Plan;
- the Performance Rights were issued to Terence Stupple, who is not a related party of the Company; and
- no funds will be raised from this issue as the Performance Rights will automatically convert into Shares upon the satisfaction of the Vesting Conditions.

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR PETER WALL

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 6,000,000 Performance Rights (**Related Party Performance Rights**) to Mr Peter Wall (**Related Party**) pursuant to the Incentive Performance Rights Plan and on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Performance Rights constitutes giving a financial benefit and Mr Peter Wall, is a related party of the Company by virtue of the fact that he is a Director.

7.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Performance Rights and/or Related Party Options to the Related Parties.

7.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15A

Pursuant to and in accordance with ASX Listing Rule 10.15A, the following information is provided in relation to the proposed grant of Related Party Performance Rights and/or the Related Party Options:

- (a) the related party is Mr Peter Wall and he is related by virtue of being a director of the Company;
- (b) the maximum number of Related Party Performance Rights to be issued is 6,000,000;
- (c) subject to the terms of the Performance Rights Plan, the Related Party Performance Rights will vest as follows:
 - (i) 2,000,000 Performance Rights will vest and be convertible into Shares on the earlier of:
 - (A) 31 December 2017; or
 - (B) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.20;
 - (ii) 2,000,000 Performance Rights will vest and be convertible into Shares on the earlier of:
 - (A) 30 June 2018; or
 - (B) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.40;
 - (iii) 2,000,000 Performance Rights will vest and be convertible into Shares on the earlier of:
 - (A) 31 December 2018; or

- (B) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.60;

(Vesting Conditions)

- (d) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) no loan will be provided to the Related Party with respect to the Related Party Performance Rights;
- (f) the Incentive Performance Rights Plan has been previously approved by shareholders and Related Party Performance Rights have been issued pursuant to the Incentive Performance Rights Plan. Since the last approval of the Incentive Performance Rights Plan the Company has issued Performance Rights pursuant to the Incentive Performance Rights Plan as follows;

| Names of Persons receiving Performance Rights since last approval | Number of Performance Rights | Acquisition price |
|--|-------------------------------------|--------------------------|
| Terence Stupple | 2,500,000 | 0 |
| Vlado Bosanac | 10,000,000 | 0 |

- (g) all Directors are entitled to participate in the Incentive Performance Rights Plan, however, at the current time the Company does not intend to make an offer to all Directors. Accordingly, approval is being sought only for the offer to Peter Wall;
- (h) the Related Party Performance Rights will be issued to the Related Party no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (i) the full terms and conditions of the Related Party Performance Rights are set out in the Incentive Performance Rights Plan;
- (j) further:
- (i) details of any Performance Rights issued under the Incentive Performance Rights Plan, will be published in each annual report of the company relating to a period in which the Performance Rights have been issued; and
- (ii) any additional related parties who become entitled to participate in the Incentive Performance Rights Plan after approval of the resolution has been obtained, and who were not named in the resolution, will not participate until shareholder approval is obtained at a general meeting.
- (k) assuming a value of \$0.055 per Related Party Performance Right (as set out in Schedule 4), the total value of the Related Party Performance Rights to be issued is \$330,000;

- (l) the relevant interests of the Related Party in securities of the Company is set out below:

| Related Party | Shares | Options |
|---------------|-----------|---------|
| Peter Wall | 2,500,000 | 0 |

- (m) the remuneration and emoluments from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

| Related Party | Current Financial Year | Previous Financial Year |
|---------------|------------------------|-------------------------|
| Peter Wall | \$60,000 | \$60,000 |

- (n) if the maximum number of Related Party Performance Rights are exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares currently on issue from 79,038,555 to 85,038,555 (assuming that no other Options or Performance Rights are exercised and no other shares (including under any other Resolutions pursuant to this Notice of Meeting are issued)), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.59%;

- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|-------------|----------------------------------|
| Highest | \$0.06 | 19 September 2017 |
| Lowest | \$0.03 | 8 October 2017 9 October 2017 |
| Last | 0.041 cents | 9 October 2017 |

- (p) the Board acknowledges that the grant of Related Party Performance Rights to the Related Party is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Performance Rights to the Related Party is reasonable in the circumstances for the reason set out in paragraph (t);

- (q) the primary purpose of the grant of the Related Party Performance Rights to the Related Party is to provide a performance linked incentive component in the remuneration package for the Related Party to motivate and reward the performance of the Related Party in their role as Director;

- (r) Peter Wall declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Performance Rights in the Company should Resolution 6 be passed;

- (s) the remaining Directors recommend that Shareholders vote in favour of Resolution 6 for the reasons set out in paragraph (t);
- (t) in forming their recommendations, each Director considered the experience the Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be issued; and
- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6.
- (v) Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 7 – APPROVAL TO VARY TERMS OF VLADO BOSANAC PERFORMANCE RIGHTS

It is proposed that 10,000,000 Performance Rights currently issued to Vlado Bosanac be varied to include share price as part of the performance criteria as set out in Schedule 3.

As a Performance Right is technically considered an 'option' under the ASX Listing Rules, the Company is required to seek Shareholder approval pursuant to ASX Listing Rule 6.23.4 to vary the terms of the Performance Rights.

The variation to the terms of the Performance Rights held by Mr Bosanac is intended to align his interests more closely to those of Shareholders by inserting share price hurdle vesting criteria.

9. RESOLUTION 8 - ISSUE OF CONVERTIBLE LOAN SHARES

9.1 General

This Resolution seeks Shareholder approval for the issue of that number of Shares to NCMAO Investments Pty Ltd as Trustee for NCMAO Investments Trust, that is equal to the amount of any outstanding advance, made under the facility of the Convertible Loan dated 20 September 2017 (**Loan Date**), together with any outstanding interest at an issue price of the greater of:

- (a) \$0.30 per Share; and
- (b) the 14 trading day volume weighted average price of the Company's shares as traded on ASX prior to 31 December 2019,

where outstanding moneys have not been repaid by the Company to NCMAO on or prior to the 31 December 2019.

There is a maximum facility limit of \$2,000,000 under the Convertible Loan. Interest accrues daily from the date that an advance is made and is computed on a daily basis on a year of 365 days. The rate of interest payable on each advance is the rate of 8% per annum.

Assuming the maximum amount of \$2,000,000 was advanced to the Company on the Loan Date, interest owing on the Termination Date will be \$364,712, resulting in a total of \$2,364,712 of outstanding monies on the Termination Date. Assuming an issue price of \$0.30 per share, a maximum of 7,882,374 Shares will be issued (representing 9.97% of the Company's current issued share capital and 9.01% of the Company's issued share capital after the issue of all securities under the Notice of Meeting).

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

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

9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 7,882,374 Shares (assuming the full amount of \$2,000,000 was advanced on the Loan Date and interest accruing from that Loan Date at an issue price of \$0.30 per Share);
- (b) the Shares will be issued no later than 31 December 2019 (as permitted by the ASX waiver dated 20 October 2017 set out in Schedule 5 and in accordance with the terms and conditions set out therein) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price will be the greater of \$0.30 per Share and the 14 trading day volume weighted average price of the Company's shares as traded on ASX prior to 31 December 2019;
- (d) the Shares will be issued to NCMAO Investments Pty Ltd as trustee for NCMAO Investments Trust. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Convertible Loan for acquisition of assets or investments, to advance its product development and marketing programs and general working capital purposes.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$4,347,120 (based on the number of Shares on issue and the closing price of Shares on the ASX on 27 September 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: MYQ).

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

10.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 10.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and

- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 27 September 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution | | | |
|--|-------------------------------------|---|------------------------|---|
| | Issue Price (per Share) | \$0.0275 50% decrease in Issue Price | \$0.055 Issue Price | \$0.0825 50% increase in Issue Price |
| 79,038,555 (Current Variable A) | Shares issued - 10% voting dilution | 7,903,856 Shares | 7,903,856 Shares | 7,903,856 Shares |
| | Funds raised | \$217,356.03 | \$434,712.03 | \$652,068.04 |
| 118,557,833 (50% increase in Variable A) | Shares issued - 10% voting dilution | 11,855,783 Shares | 11,855,783 Shares | 11,855,783 Shares |
| | Funds raised | \$326,034.04 | \$652,068.08 | \$978,102.10 |
| 158,077,110 (100% increase in Variable A) | Shares issued - 10% voting dilution | 15,807,711 Shares | 15,807,711 Shares | 15,807,711 Shares |
| | Funds raised | \$434,712.05 | \$869,424.11 | \$1,304,136.16 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-

rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 79,038,555 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 27 September 2017.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for acquisition of assets or investments, to advance its product development and marketing programs and general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new assets or investments and for services provided to the Company in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 25 October 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 25 October 2016, the Company otherwise issued a total of:

- (i) 538,555 Shares;
- (ii) 6,825,000 Employee Options (issued under ASX Listing Rule 7.1);
- (iii) 2,175,000 Employee Options (issued under the employee Incentive Option Plan. Originally 3,925,000 Employee Options were issued and subsequently 1,750,000 Employee Options were cancelled);
- (iv) 2,500,000 Performance Rights (issued pursuant to ASX Listing Rule 7.1); and
- (v) 10,000,000 Performance Rights (issued pursuant to the Incentive Performance Rights Plan);

which represents approximately 28.07% of the total diluted number of Equity Securities on issue in the Company on 25 October 2016, which was 78,500,000.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

10.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means MYFIZIQ LIMITED (ACN 602 111 115).

Constitution means the Company's constitution.

Convertible Loan means the convertible loan agreement entered by the Company and NCMAO Investments Pty Ltd as Trustee for NCMAO Investments Trust dated 20 September 2017.

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

Directors means the current directors of the Company.

Eligible Employees has the meaning given to it in Schedule 1.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Employee Option means an option to acquire a Share having the terms and conditions set out in Schedule 1.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Performance Rights Plan means the incentive performance rights plan of the Company which was approved by Shareholders on 16 February 2017.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Optionholder means a holder of an Employee Option.

Proxy Form means the proxy form accompanying the Notice.

Related Party Performance Rights has the meaning given to it in clause 7.1.

Related Party has the meaning given to it in clause 7.1.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Vesting Conditions in relation to:

- (a) Terence Stupple, means those vesting conditions set out in clause 6.1 of the Explanatory Statement; and
- (b) In relation to Peter Wall, means those vesting conditions set out in clause 7.3 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

10% Placement Capacity has the meaning given in Section 10.1.

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

(a) **Entitlement**

Each Employee Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Eligibility**

An employee who is deemed by the Board to be eligible to receive Options in the Company (**Eligible Employee**).

(c) **Exercise Price and Expiry Date**

- (i) The amounts payable by each Optionholder vary as shown in the below table (**Exercise Price**).
- (ii) Each Option will expire at 5:00 pm (WST) on the following dates listed below (**Expiry Date**). An Employee Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (iii) The Employee Options will vest on the dates shown in the below table (**Vesting Date**).

| Option holder | Grant Date | Vest date | Expiry Date | Original Exercise Price |
|---------------|------------|------------|-------------|---|
| 1. | 21/12/2016 | 30/09/2017 | 30/09/2020 | \$0.20 |
| 2. | 21/12/2016 | 31/12/2017 | 31/12/2020 | \$0.10 |
| 3. | 21/12/2016 | 30/09/2018 | 30/09/2021 | Lesser of \$0.30 and 150% of the 30 day VWAP calculated up to 30 September 2018 |
| 4. | 21/12/2016 | 26/10/2018 | 31/12/2020 | \$0.10 |
| 5. | 21/12/2016 | 31/12/2018 | 31/12/2021 | \$0.10 |
| 6. | 21/12/2016 | 30/09/2019 | 30/09/2022 | Lesser of \$0.40 and 150% of the 30 day VWAP calculated up to 30 September 2019 |
| 7. | 21/12/2016 | 26/10/2019 | 31/12/2021 | \$0.10 |
| 8. | 21/12/2016 | 30/09/2020 | 30/09/2023 | Lesser of \$0.50 and 150% of the 30 day VWAP calculated up to 30 September 2020 |
| 9. | 21/12/2016 | 30/09/2021 | 30/09/2024 | Lesser of \$0.60 and 150% of the 30 day VWAP calculated up to 30 September 2021 |

(d) **Exercise Period**

The Employee Options are exercisable at any time after the Vesting Date and prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Employee Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Employee Offer Document (**Notice of Exercise**) and payment of the Exercise Price for each Employee Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Employee Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Employee Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Employee Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Employee Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Employee Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options without exercising the Options.

(k) **Change in exercise price**

An Employee Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Employee Option can be exercised.

(l) **Transferability**

(i) The Employee Options are only transferable, assignable or able to be otherwise disposed or encumbered:

(A) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or

(B) by force of law upon death to the employee's legal personal representative or upon bankruptcy to the employee's trustee in bankruptcy.

(ii) For the purpose of this clause:

(A) **'Special Circumstances'** means:

(1) An Optionholder ceasing to be an Eligible Employee due to death, total or permanent disability, retirement or redundancy of the Optionholder;

(2) the Optionholder suffering Severe Financial Hardship; or

(3) any other circumstances determined by the Board at any time.

(B) **'Severe Financial Hardship'** means that the Optionholder is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 25 OCTOBER 2016

| Date | Quantity | Class | Recipients | Issue price and discount to Market Price (if applicable) ¹ | Form of consideration |
|--|--|---------------------------------|--|---|---|
| Issue – 21/12/2016 Appendix 3B – 21/12/2016 | 3,925,000 (1,750,000 options cancelled upon resignation of employee on 31 January 2017) | Unquoted Options ² | Employees of the Company pursuant to the Incentive Option Plan | - | Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$42,705 (for the remaining 2,175,000 options) |
| Issue – 21/12/2016 Appendix 3B – 21/12/2016 | 6,825,000 | Unquoted Options ³ | Employees who are Eligible Participants (under the terms of Schedule 1 of this Notice) | - | Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$103,646 |
| Issue – 03/03/2017 Appendix 3B – 07/03/2017 | 538,555 | Shares ⁴ | Sensape GmbH | - | Non-cash Consideration: Consideration for services provided Current value ⁷ = \$29,620 |
| Issue – 03/03/2017 Appendix 3B – 07/03/2017 | 10,000,000 | Performance Rights ⁵ | Vlado Bosanac issued pursuant to the Incentive Performance Rights Plan | - | Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁸ = \$550,000 if based on non-market criteria or \$210,000 if based on vesting per VWAP |
| Issue – 03/03/2017 Appendix 3B – 07/03/2017 | 2,500,000 (1,000,000 expired on 30 September 2017) | Performance Rights ⁶ | Terence Stupple (under the Incentive Performance Rights Plan) | - | Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁷ = \$82,500 for 1,500,000 Performance Rights (\$55,000 worth of Performance Rights expired) |

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Employee Options issued under the Company's Incentive Option Plan approved at the 25 October 2016 AGM. Originally 3,925,000 Employee Options were issued and subsequently 1,750,000 Employee Options were cancelled.

3. Unquoted Employee Options. The full terms and conditions are contained in Schedule 1 of this Explanatory Statement.
4. Fully paid ordinary shares in the capital of the Company, ASX Code: MYQ (terms are set out in the Constitution).
5. Performance Rights issued pursuant to the terms of the Company's Incentive Performance Rights Plan. The Performance Rights will vest subject to certain performance conditions. The full terms and conditions are set out in the Company's Incentive Performance Rights Plan and the Notice of General Meeting dated 16 February 2017.
6. Performance Rights, exercisable on satisfaction of performance conditions. The full terms and conditions are set out in the Company's Incentive Performance Rights Plan.
7. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.055) as the context requires on the ASX on 27 September 2017. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date (being 27 September 2017), the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
8. The Hoadley option valuation methodology developed by Hoadley Trading and Investment Tools was used by RSM Pty Ltd to value these Performance Rights based on the market based vesting conditions being met first. The Performance Rights were valued at a Share price of \$0.055, historical volatility – 87%, risk free rate – Commonwealth Bonds using 2 to 5 year bond rates (depending on which aligned most closely to the milestone). Rate range of 1.95% to 2.39%.

SCHEDULE 3 – VARIATION TO VLADO BOSANAC PERFORMANCE RIGHTS

It is proposed that 10m performance rights currently issued to Vlado Bosanac be varied to share price hurdle vesting criteria as set out below (underlined):

- (a) 1st Milestone - 2,000,000 performance rights – will vest upon the first to occur of:
 - (i) the Company signing its first commercial transaction where the party or organization has 5m or more active subscribers/followers; and
 - (ii) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.20;

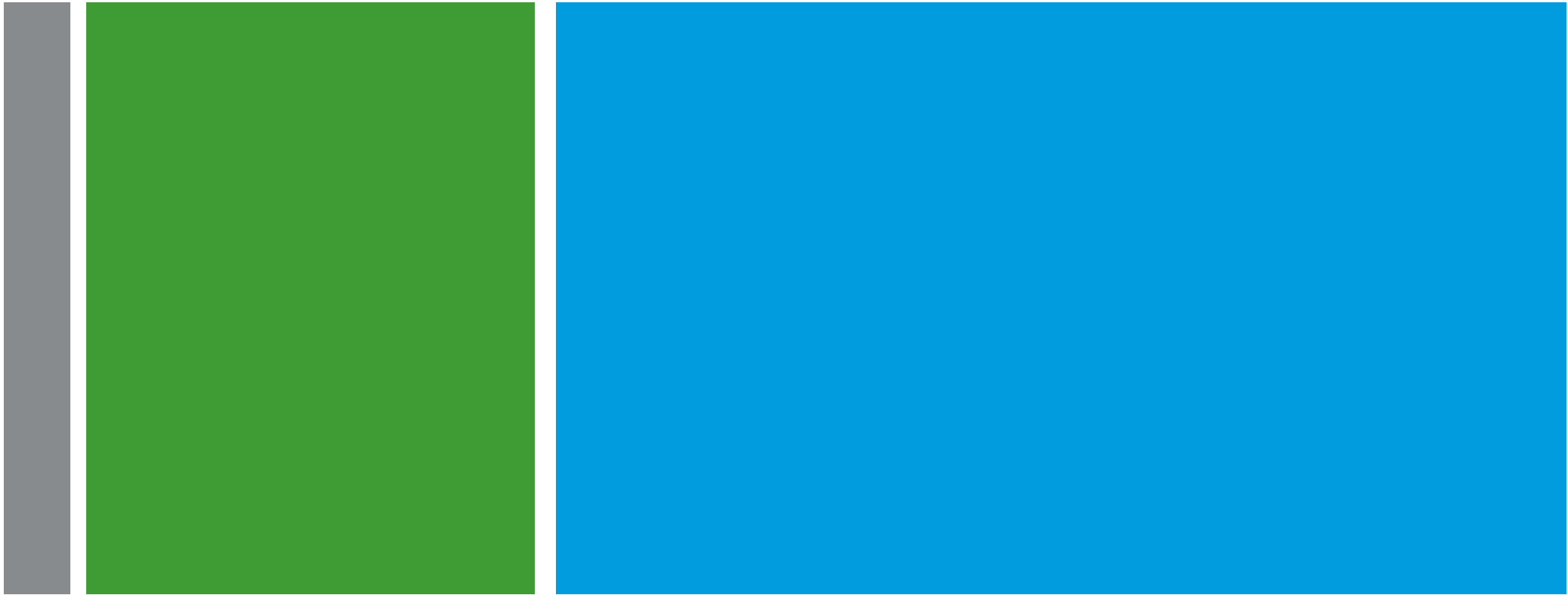
- (b) 2nd Milestone - 2,000,000 performance rights – will vest upon the first to occur of:
 - (i) the Company achieving 50,000 users of its app or \$500,000 in annualized revenue; and
 - (ii) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.30;

- (c) 3rd Milestone - 2,000,000 performance rights – will vest upon the first to occur of:
 - (i) the Company achieving 100,000 users of its app or \$1,000,000 in annualized revenue; and
 - (ii) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.40;

- (d) 4th Milestone - 2,000,000 performance rights – will vest upon the first to occur of:
 - (i) the Company achieving 200,000 users of its app or \$2,500,000 in annualized revenue; and
 - (ii) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.50.

- (e) 5th Milestone - 2,000,000 performance rights – will vest upon the first to occur of:
 - (i) the Company achieving 250,000 users of its app or \$5,000,000 in annualized revenue; and
 - (ii) the 10 trading day volume weighted average price of the Company's shares as traded on ASX being equal to or greater than \$0.60.

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MYFIZIQ LIMITED

Performance rights valuation

October 2017



Report dated: 5 October 2017

Vlado Bosanac
CEO
MyFiziq Limited
Suite 8, 7 The Esplanade,
Mt Pleasant, WA, 6153

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9102
www.rsm.com.au

MyFiziq Limited performance rights valuation

Dear Mr Bosanac,

We have pleasure in presenting our report, the purpose of which is to provide MyFiziq Limited (“MYQ” or the “Company”) with an indicative fair value of performance rights (“Rights”) proposed to be issued by the Company to Directors.

We understand the Rights valuation is required for inclusion in a Notice of Meeting of the Company.

Should you have any queries in relation to our report, or the valuation opinions contained herewith, please do not hesitate to contact me on 08 9261 9447.

Yours sincerely,

A J GILMOUR
Director

RSM Australia Pty Ltd

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DEFINITIONS OF TERMS

The following definitions apply throughout this document unless the context requires otherwise:

| Term | Definition |
|-------------------------|--|
| AASB | Australian Accounting Standard Board, issuer of accounting standards under the Act |
| APES 225 | Australian Professional Ethical Standard 225 – Valuation services |
| Act | Corporation Act, 2001 |
| ASX | Australian Securities Exchange |
| Board or Directors | The Board of Directors of the Company |
| The Company | MYQ |
| Management or Directors | The directors and key management personnel of the Company |
| MYQ | MyFiziq Limited |
| Rights | Performance rights to be issued by the Company |
| RSM, us, we | RSM Australia Pty Ltd |
| S&P Capital IQ | Standard and Poor's Capital IQ database |
| Valuation Date | 4 October 2017 |

1. INTRODUCTION

Terms of reference

In accordance with your instructions, we have performed an indicative valuation of the Rights as at the date of this report ("Valuation Date"). As the Rights are yet to be varied/issued, the valuation is indicative only.

We understand that you require the valuation for inclusion in a Notice of Meeting of the Company.

For the purposes of this report "fair value" is defined as:

"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."

Nature of the assignment

This indicative valuation engagement has been undertaken in accordance with APES 225 – *Valuation Services*.

This indicative valuation has been undertaken by Andy Gilmour, a director of the Corporate Finance Division of RSM Australia, acting independently. Andy Gilmour has extensive experience in providing valuations of businesses, shares and other equities. A brief resume is set out at Appendix A to this report.

The fee to be paid to RSM Australia for this indicative valuation assignment is not contingent on the conclusion, content or future use of this valuation report.

Use of report

Our report is prepared solely for the confidential use of the Company, and solely for inclusion in the Notice of Meeting of the Company. The indicative valuation provided and this report should not be relied on by any other party or for any other purpose.

Disclaimer

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In preparing this report we have relied upon information supplied by the Company, which we believe to be accurate and reliable. We have not, in preparing this report, independently verified the correctness, existence or value of any item, which is, or should be, in such information. We do not have any reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters which an audit or more extensive examination might disclose. Although the report and opinions expressed herein are based on information supplied to us, we believe the report and opinions to be accurate. However, for the above reasons, we do not warrant the accuracy or reliability of either the information supplied to us or the conclusion drawn there from.

2. SCOPE OF VALUATION

Background

We understand that the Company is proposing to issue 6 million Rights to Directors. We understand that you require an indicative valuation for inclusion in a Notice of Meeting of the Company.

The Rights are subject to shareholder approval at a general meeting of shareholders proposed to be held in November 2017 and terms of the performance rights are summarised below.

New issue of Rights

The 6 million Rights are proposed to be issued in three equal tranches, with each tranche vesting as follows:

- 2 million Rights which vest on the earlier of 31 December 2017 or hitting a 10-day VWAP of \$0.20 ("Milestone 1");
- 2 million Rights which vest on the earlier of 30 June 2018 or hitting a 10-day VWAP of \$0.40 ("Milestone 2"); and
- 2 million Rights which vest on the earlier of 31 December 2018 or hitting a 10-day VWAP of \$0.60 ("Milestone 3").

Scope of Valuation

The scope of the work performed in assessing the indicative fair value of the Rights has consisted of:

- An assessment of the indicative fair value of the Rights based on the above terms using a binomial option pricing model;
- A review of the historical volatility of the share price of the Company; and
- Discussions with the Company Secretary.

3. VALUATION METHODOLOGY

Consideration of AASB 2

AASB 2 specifies the financial reporting requirements by an entity when it undertakes a share based payment transaction. In particular, it sets out the approach which the entity must follow in reporting in its profit and loss account any impact of any share based payment transaction.

For the purposes of AASB 2, a share based payment transaction is defined as a transaction in which an entity:

- (i) receives goods or services from the supplier of those goods and services (including an employee) in a share based payment arrangement; or
- (ii) incurs an obligation to settle the transaction with the supplier in a share based payment arrangement when another group entity receives those goods and services.

Further, a share based payment arrangement is defined as:

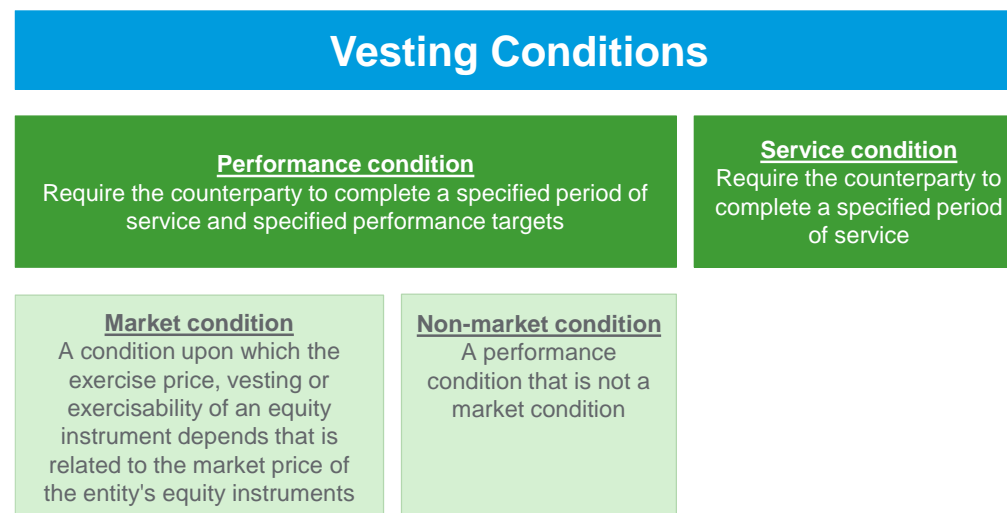
An agreement between an entity and another party (including an employee) that entitles the other party to receive:

- (i) cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity; or
- (ii) equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions are met.

AASB 2 prescribes that vesting conditions are either 'service' conditions or 'performance' conditions and that performance conditions are further defined as 'market' conditions or 'non-market' conditions.

The features of each type of vesting condition, as set out in AASB 2, are summarised in the figure opposite.

Figure 1 AASB 2 vesting condition definitions



Determining the fair value of equity instruments granted

AASB 2 states that an entity shall measure the fair value of instruments granted as at the measurement (grant) date, based on market prices, if available, taking into account the terms and conditions upon which the instruments were granted.

Where market prices are not available, the entity must estimate the value of the instrument based upon a valuation technique to estimate the price the equity instruments would have been at the measurement date. The valuation technique should be consistent with generally accepted valuation methodologies and shall incorporate all factors and assumptions that a knowledgeable willing market participant would consider in setting the price.

Valuation impact of vesting conditions

If a grant of equity instruments is subject to satisfying certain vesting conditions, such conditions may be taken into account when estimating the fair value. AASB 2 specifies that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date.

With regard to the treatment of vesting conditions when accounting for a share based payment, paragraph 19 of AASB 2 states:

“There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entities share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that ultimately, the amount recognised for goods and services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Hence on a cumulative basis, no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition, for example the counterparty fails to complete a specified service period, or a performance condition is not satisfied.”

Selected valuation methodology

The Rights have both market based and non-market based vesting conditions, with the Rights vesting on achievement of either the market based or non-market based vesting conditions.

Accordingly, Management must take a view on which condition is more likely to be achieved – the market based or non-market based vesting conditions – and apply the appropriate value.

We note that the non-market based Rights will be valued at the value of a share in the Company on grant date, which was \$0.055 on 4 October 2017.

As the VWAP vesting conditions attached to the Rights constitutes a market condition, we have therefore valued the Rights assuming the market conditions are met first. We stress, however, that Management must determine the most likely outcome for each tranche of Rights.

In determining the value of the Rights assuming the market based vesting conditions are met first, we have used a model developed by Hoadley Trading & Investment Tools (“Hoadley”) *Barrier1* option valuation model.

Valuation model assumptions

We set out the assumptions we have used in assessing the indicative fair value of the Rights in the table opposite.

Table 1 Rights valuation assumptions

| Assumptions | Ref | Milestone 1 Rights | Milestone 2 Rights | Milestone 3 Rights |
|----------------------------|-----|--------------------|--------------------|--------------------|
| Valuation date | 1 | 4-Oct-16 | 4-Oct-16 | 4-Oct-16 |
| Spot price | 2 | \$0.055 | \$0.055 | \$0.055 |
| Vesting price | 3 | nil | nil | nil |
| Maximum life | 4 | 0.1 years | 0.6 years | 1.1 years |
| Expected future volatility | 5 | 87% | 90% | 90% |
| Risk free rate | 6 | 1.95% | 1.95% | 1.95% |
| Dividend yield | 7 | 0% | 0% | 0% |

Source: The Company and RSM analysis

- 1. Valuation date** – As the Rights are yet to be varied, we have assumed the Valuation Date to be 4 October 2017, the date of this report.
- 2. Spot price** – The spot price of the Company’s shares was \$0.055 per share at the close of trade on the Valuation Date.
- 3. Vesting price** – We understand that the Rights will vest either if the service conditions are met, or the 10-day VWAP exceeds \$0.20, \$0.40 and \$0.60 for Milestones, 1, 2 and 3 Rights, respectively.
- 4. Expiry period** – We understand the Milestones, 1, 2 and 3 Rights expire on 31 December 2017, 30 June 2018 and 31 December 2018 respectively. We have assumed the Rights will be issued following approval at a general meeting of shareholders in mid-November 2017.
- 5. Expected future volatility** – We have assumed a volatility of 87% for the securities, this is calculated and based on historical volatility over recent trading periods.
- 6. Risk free rate** - We have determined this based on the yields of Commonwealth bonds using a two-year bond, based on the period which most closely corresponds to the respective lives of the Rights. The interest rates are measured as the closing rate on the day prior to the Valuation Date. A two-year bond yielded 1.95% on 3 October 2017 as disclosed by the Reserve Bank of Australia.
- 7. Dividend yield** – We have assumed a dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

4. VALUATION

Valuation summary

We note the value of the Rights will differ depending on whether the Company considers the VWAP target or operational target is more likely to be met first. Where the operational target is expected to be met first, the value per Right will be equal to the value of a share in the Company on the Grant date. At 4 October 2017, this was equal to \$0.055.

Valuation of Rights

Based on the methodology and assumptions set out in Section 3 of this report, which assumes the VWAP share price target is met first, we summarise below our assessment of the indicative fair value of the Rights as at the Valuation Date in the table below. We also include the value of the rights assuming the non-market conditions are met first.

Table 2 Fair value of the Rights

| | Milestone 1 \$ | Milestone 2 \$ | Milestone 3 \$ |
|------------------------------|---------------------|-------------------|-------------------|
| Value per Right – non-market | 0.0550 | 0.0550 | 0.0550 |
| Value per Right – market | 0.0000 ¹ | 0.0003 | 0.0011 |

Source: RSM calculation

¹ Rounded to 4dp – value is \$0.000003

Note to due to the significant increase in share price required and the short life remaining to hit the vesting hurdles, we would expect the value of the new Rights to be issued is \$0.055 per Right for Milestones, 1, 2 and 3 as it is more likely the Rights vest due to completion of the service period than reaching the share price targets.

We note that the above valuations are indicative only, and the final valuation for financial reporting purposes will need to be completed upon approval being obtained by shareholders of the Company.

General

If you have any queries or would like further information please do not hesitate to contact the writer.



APPENDICES

A. ANDY GILMOUR QUALIFICATIONS AND EXPERIENCE



ANDY GILMOUR

Partner, Corporate Finance

Professional Experience

Andy, a Director of the Corporate Finance division in Perth has over 30 years' experience as a chartered accountant and business adviser. He has had exposure to a diverse range of industries from financial services to mining and of varying size from small family entities to large multinational corporations, including:

- experience in the preparation of independent expert reports including compulsory share acquisitions, company takeovers and other various fair and reasonable considerations under the Corporations Act;
- experience in the preparation of independent expert reports for the purposes of loss of profit determination and post-acquisition disputes;
- experience with regards to preparation of investigating accounting reports including those associated with a prospectus accompanying entity listings on the Australian Securities Exchange;
- experience in preparation of valuation reports for businesses for various purposes, including mergers and acquisitions, tax considerations, bank lending requirements or acquisition/disposal mandates;
- experience in the preparation of valuation reports for intangible assets and intellectual property;
- experience with various due diligence assignments; and
- experience of providing advice to a wide range of clients across a diverse range of industries in relation to numerous mergers, acquisitions and business divestments.

Associations

- Fellow of Chartered Accountants Australia and New Zealand - Admitted 1987
- Member of the Chartered Accountants Australia and New Zealand Forensic Accountants Special Interest Group
- West Australian representative of the Business Valuation Special Interest Group of Chartered Accountants Australia and New Zealand
- Business Valuation Specialist of Chartered Accountants Australia and New Zealand

Academic Qualifications

- BA (Hons) - Graduated 1979

CA Business Valuation Specialist



RSM Australia

8 St Georges Terrace, Perth 6000

T +61 (08) 9261 9447 F +61 (08) 9261 9111

andy.gilmour@rsm.com.au

rsm.com.au

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20 October 2017

Romy Hirshowitz
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

By email: RHirshowitz@steinpag.com.au

Dear Romy

REQUEST FOR LISTING RULE WAIVER – MYFIZIQ LIMITED (“COMPANY”)

I refer to your letter dated 16 October 2017 applying on behalf of the Company for a waiver from ASX listing rule 7.3.2.

I am pleased to advise that ASX Limited (“ASX”) has decided to grant the requested waiver.

ASX’s formal decision reads as follows.

“DECISION

1. Based solely on the information provided, ASX Limited (“ASX”) grants MyFiziq Limited (the “Company”) a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting (the “Notice”) seeking shareholder approval for the issue of up to 7,882,374 fully paid ordinary shares in the capital of the Company (“Convertible Shares”) pursuant to the convertible loan agreement with NCMAO Investments Pty Ltd as Trustee for NCMAO Investments Trust (“NCMAO”) (“Convertible Loan Agreement”), not to state that the Convertible Shares will be issued no later than 3 months after the date of the Company’s 2017 annual general meeting (“AGM”) on the following conditions.
 - 1.1. The Convertible Shares will be issued no later than 31 December 2019 (“Termination Date”).
 - 1.2. If the Company releases its annual report during a period in which the Convertible Shares are issued or remain to be issued, the annual report discloses details of the Convertible Shares that have been issued and the terms of the Convertible Loan Agreement.
 - 1.3. The terms of the waiver are immediately disclosed to the market and in the Notice.
 - 1.4. The Notice contains a summary of the material terms of the Convertible Loan Agreement.



2. ASX has considered listing rule 7.3.2 only and makes no statement as to the Company's compliance with other Listing Rules.

BASIS FOR DECISION

Underlying Policy

3. Listing rule 7.1 protects a listed entity's security holders against dilution of their voting and economic interests in the listed entity by imposing a limit on the number of equity securities that may be issued by the entity without prior security holder approval. This limit is not applicable if security holders' approve the issue of the securities at a general meeting. Listing rule 7.3 sets out the information required to be included in the notice of meeting seeking approval for the issue of the securities. In particular, listing rule 7.3.2 requires the date by which the entity will issue the securities and this date must be no later than 3 months after the date of the meeting, or, for court approved reorganisations of capital, no later than 3 months after the date of the court approval. This rule ensures that an issue of securities that has been approved by security holders is made within a reasonable timeframe following the approval, so that it is less likely that the circumstances in which the issue is made will have changed materially from those prevailing at the time the approval was given.

Facts and Reasons for Granting Waiver

4. The Company has entered into a convertible loan agreement with NCMAO under which NCMAO agrees to make advances to the Company up to a limit of \$2,000,000. Should any outstanding monies not have been repaid on or prior to 31 December 2019, and subject to shareholder approval, the Company will issue to NCMAO that number of shares that is equal to the amount of any outstanding advance, together with any outstanding interest at an issue price of the greater of \$0.30 per share and the 14 trading day volume weighted average price of the Company's shares as traded on ASX prior to 31 December 2019. Assuming the maximum amount of \$2,000,000 was advanced to the Company on the Loan Date, interest owing on the Termination Date will be \$364,712, resulting in a total of \$2,364,712 of outstanding monies on the Termination Date. Assuming an issue price of \$0.30 per share, a maximum of 7,882,374 Shares will be issued (representing 9.97% of the Company's current issued share capital and 9.01% of the Company's issued share capital after the issue of all securities under the Notice). The maximum number of shares to be issued is fixed therefore the degree of dilution is known. The extension of time requested by the Company is approximately 22 months beyond the ordinary three month limit for listing rule 7.1 approvals and is within ASX precedent for similar waivers. The waiver is granted on conditions, including that the Notice discloses the material terms of the Convertible Loan Agreement to the Company's shareholders. In the context of a converting loan agreement there is nothing unusual about the arrangement proposed by the Company. It is appropriate to allow



shareholders to be able to give their informed consent to the issue of the Convertible Shares over the relevant period.”

As you will see, the waiver is subject to certain conditions. Under listing rule 18.1.1, these conditions must be complied with for the waiver to be effective.

ASX’s power to vary or revoke waiver

It should be noted that under ASX listing rule 18.3, ASX may vary or revoke this waiver at any time.

Further enquiries

Please contact me should you have any further enquiries in relation to this matter.

Yours sincerely

[sent electronically without signature]

Nick Harrison
ASX Listings Compliance (Perth)

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