



OPTISCAN IMAGING LIMITED
ABN 81 077 771 987

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
24 November 2017

Time of Meeting:
3:00PM (AEDT)

Place of Meeting:
**The Monash Room,
The Novotel Hotel,
285 Springvale Road,
Glen Waverly, Victoria, 3150**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

OPTISCAN IMAGING LIMITED

ABN 81 077 771 987

Registered office: 16 Miles Street, Mulgrave, Victoria, 3170

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Optiscan Imaging Limited ("Optiscan" or the "Company") will be held at the Monash Room, The Novotel Hotel, 285 Springvale Road, Glen Waverly, Victoria, 3150 at 3:00pm (AEDT) on 24 November 2017 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and auditors for the financial year ended 30 June 2017.

There is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2017 be adopted."

Resolution 2: Election of Dr Philip Currie as a Director of the Company

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

"That Dr Philip Currie, having been appointed to the Board of Directors during the year, retires as a director and being eligible for election, be elected as a director of the Company."

Resolution 3: Ratification of Prior Issue of Shares

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 4 October 2017 of 28,900,000 fully paid ordinary shares in the Company with an issue price of \$0.08 (8 cents) per share as described in the Explanatory Statement."

Resolution 4: Adoption of Incentive Option & Performance Rights Plan

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

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given to adopt an employee incentive scheme, being the Company's Incentive Option & Performance Rights Plan, and to issue securities under that Plan, on the terms and conditions summarised in the Explanatory Statement."

Resolution 5: Correction of a Vesting Date of Options

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

“That shareholders approve and confirm the correction of the vesting date of 1,500,000 unlisted options having an exercise price of 5 cents (\$0.05) and expiry date of 28 November 2021, which were issued to Mr Archie Fraser or his nominee pursuant to the approval given at the 2016 Annual General Meeting of the Company, from 28 November 2019 to 28 November 2018.”

SPECIAL BUSINESS

Resolution 6: Adoption of Replacement Constitution

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

“That the Company adopt a replacement Constitution, with immediate effect upon passing of this Resolution, as described in the Explanatory Statement.”

By order of the Board



Justin Mouchacca
Company Secretary

23 October 2017

Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting. On a poll, members have one vote for every fully paid ordinary share held.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. If you sign the proxy form and do not appoint a proxy, you will have appointed the Chairman of the meeting as your proxy.
 - i. To be effective, proxy forms must be received by the Company's share registry (Computershare Investor Services Pty Ltd) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 3:00pm (AEDT) on 22 November 2017. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. How the Chairman will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chairman of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

6. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy.

Resolution 2

There are no voting exclusions on this resolution.

Resolution 3

The Company will disregard any votes cast on this resolution by any 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.

Resolution 4

The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person.

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.

Resolution 5

The Company will disregard any votes cast on this resolution by any person whose votes were to be disregarded in respect of the resolution to approve the issue of options at the 2016 Annual General Meeting (being any person who participated in the issue of the options or who may have obtained a benefit as a result of the resolution approving the issue of the options being granted being passed at the 2016 Annual General Meeting), any person who may obtain a benefit if this resolution is passed at this Meeting (except a benefit solely in the capacity as a holder of ordinary securities) 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.

Resolution 6

There are no voting exclusions on this Resolution.

7. **Special Resolution**

Resolution 6 is proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

8. **Enquiries**

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9538 3333 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2017 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9538 3333, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.optiscan.com or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 1. The Chairman will vote undirected proxies in favour of Resolution 1.

Voting Exclusions

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote.

Resolution 2: Election of Dr Philip Currie as a Director of the Company

Background

Dr Philip Currie was appointed as a Non-Executive Director on 17 July 2017 as a casual vacancy and is eligible for election. Pursuant to the Listing Rules, a director appointed to fill a casual vacancy must not hold office past the next annual general meeting of the entity, without re-election.

Dr Currie is a cardiologist with more than 35 years in cardiology both in the United States and in Australia with extensive experience in medical research, clinical cardiology and business. He has a medical degree, MBBS (Hons) from Monash University and an MBA from the University of Michigan.

Dr Currie completed his medical residency and cardiology fellowship at the Alfred Hospital in Melbourne before moving to the USA in 1983. At the Mayo Clinic, he completed a cardiology fellowship and then was a Senior Associate Cardiologist. He then was a staff cardiologist for 3 years at the Cleveland Clinic and then moved to Michigan as the Director of Echocardiography at the Michigan Heart and Vascular Institute for 8 years. During his time in the USA, Philip was involved in the research/pioneering/validation of many of the major advances in echocardiography (including Doppler echo, intraoperative echocardiography and transoesophageal echocardiography) including working closely as a luminary with the major international ultrasound manufacturers.

In 1997, after working in the USA for 14 years, Dr Currie returned to Australia and over the last 20 years he has successfully established a private cardiology practice which has subsequently evolved to become an integrated multispecialty medical organisation with 12 sites in Perth and Melbourne.

Board Recommendation

The Board (with Dr Currie abstaining), recommends that shareholders vote in favour of the election of Dr Currie. The Chairman of the meeting intends to vote undirected proxies in favour of Dr Currie's election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Ratification of Prior Issue of Shares

Background

The Company is seeking shareholder approval to ratify the issue of 28,900,000 Shares to professional and sophisticated investors in accordance with the Share Purchase Plan Underwriting Agreement and Placement as announced by the Company on 26 September 2017.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of Shares in the Company that were issued is 28,900,000;
- (b) the Shares were issued at a price of \$0.08 (8 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to new and existing professional and sophisticated investors; and
- (e) the funds raised will be used for sales and marketing expenses and on-going working capital requirements.

Board Recommendation

The Board recommends that shareholders vote in favour of the ratification of the prior issue of 28,900,000 Shares to professional and sophisticated investors. The Chairman of the meeting intends to vote undirected proxies in favour of the prior share issue.

Voting Exclusions

The Company will disregard any votes cast on this resolution by any 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.

Resolution 4: Approval of Incentive Option & Performance Rights Plan

The Company is seeking Shareholder approval for the adoption of an employee incentive scheme titled "Incentive Option & Performance Rights Plan" ("Incentive Plan") in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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 of the company on issue at the commencement of that 12 month period.

Listing Rule 7.2 (Exception 9(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme.

If Resolution 4 is passed, the Company will be able to provide Options and Performance Rights (together, "Awards") under the Incentive Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options or Performance Rights have previously been provided under the Incentive Plan.

The objective of the Incentive Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Incentive Plan and the future provision of Awards under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future provision of Awards under the Incentive Plan to a Director, an associate of a Director or a person whose relationship with the company or the Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Incentive Plan is set out in Schedule 1. In addition, a copy of the Incentive Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast on this resolution by any Director (other than a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates.

However, the Company need not disregard a vote on this resolution 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 5: Correction of a Vesting Date of Options

Resolution 5 is proposed to approve and confirm the correction of a typographical error in the Explanatory Memorandum which accompanied and formed part of 2016 Notice of AGM.

The table in the commentary on Resolution 5 passed at that meeting incorrectly showed a vesting date of 28 November 2019 instead of 28 November 2018 for 1,500,000 unlisted options having an exercise price of 5 cents (\$0.05) and an expiry date of 28 November 2021. The 2018 date was consistent with the rest of the table which showed vesting dates at 6 month intervals from 28 November 2016 to 28 May 2018. The incorrect date would have resulted in an interval of 18 months.

Passing Resolution 5 will avoid any doubt about the correct date having been 6 months after the previous vesting date. The terms of the options otherwise remain unchanged.

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

Voting Exclusions

The Company will disregard any votes cast on this resolution by any person whose votes were to be disregarded in respect of the resolution to approve the issue of the options at the 2016 Annual General Meeting (being any person who participated in the issue of the options or who may have obtained a benefit as a result of the resolution approving the issue of the options being granted being passed at the 2016 annual general meeting), any person who may obtain a benefit if Resolution 6 is passed at this meeting (except a benefit solely in the capacity of a holder of ordinary securities), 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.

Resolution 6: Adoption of Replacement Constitution

The Company proposes adopting a new Constitution to replace the Company's existing Memorandum and Articles with effect immediately upon the passing of Resolution 6.

The Directors of the Company have formed the view that the Meeting a good opportunity to adopt a new Constitution containing modern, relevant clauses for effective and efficient corporate governance of an entity in the position of the Company. The Constitution proposed to be adopted continues to contain inherent flexibility to accommodate the ASX listing of the Company.

Resolution 6 is a special resolution and, as a result, must be passed by at least 75% of all the votes cast by members entitled to vote (whether in person or by proxy, attorney or, in the case of a corporate member, by corporate representative).

A summary of the key changes between the Company's current Memorandum and Articles of Association and the Constitution proposed to be adopted is annexed as Schedule 2.

Board Recommendation

The Board considers that adopting the Replacement Constitution is in the best interests of the Company. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 6.

Voting Exclusions

There are no voting exclusions on this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2017;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Optiscan Imaging Limited ABN 81 077 771 987;

“**Constitution**” means the Memorandum and Articles of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Optiscan Imaging Limited for the financial year ended 30 June 2017 and which is set out in the 2017 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

SCHEDULE 1 - SUMMARY OF INCENTIVE PLAN

1. Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Options or Performance Rights (together, Awards), upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines.

2. Offer and Application Form

An invitation to apply for the provision of Awards under the Incentive Plan must be made by way of an offer document (Offer Document). At a minimum, the Offer Document must include the following information:

- (a) the maximum number of Awards that the Eligible Participant may apply for, or the formula for determining the number of Awards that may be applied for;
- (b) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Award or the formula for determining the maximum number of Shares;
- (c) the Option exercise price, or the formula for determining the Option exercise price (Exercise Price) of any Options;
- (d) any applicable vesting conditions as determined by the Board in its discretion;
- (e) any restriction period the Board has resolved to apply to Shares issued on exercise of the Awards;
- (f) when Awards will expire (Expiry Date);
- (g) the date by which an Offer Document must be accepted (Closing Date);
- (h) any other terms and conditions applicable to the Awards; and
- (i) any other information required by law or the Corporations Act, the Class Order or the ASX Listing Rules or the considered by the Board to be relevant to the Awards or the Shares to be issued on the exercise of the Awards.

An Eligible Participant (or permitted Nominee) may apply for the Incentive Options or Performance Rights in whole or in part, by signing and returning an Application Form to the Company no later than the Closing Date. The Board may accept or reject any Application Form in its absolute discretion.

Where the Company needs to rely on the Class Order in respect of an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

3. Terms of the Options or Performance Rights

- (a) Unless quoted on the ASX, each Award will be granted to an Eligible Participant under the Incentive Plan for no more than nominal consideration.
- (b) Each Award will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Offer Document otherwise provides.
- (c) Awards will not be listed for quotation on the ASX, unless the Offer Document provides otherwise. The Company will apply for official quotation of the Shares issued upon the exercise of any vested Awards.
- (d) The Exercise Price of an Option shall be determined by the Board in its absolute discretion but must not be less than any minimum price specified in the ASX Listing Rules.
- (e) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (f) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (g) Subdivision 83A-C the *Income Tax Assessment Act 1997* applies to the Awards except to the extent an Offer Document provides otherwise.
- (h) An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion).
- (i) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer Document otherwise provides where permitted by the ASX Listing Rules.
- (j) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX listing rules applying to reorganisations at the time of the reorganisation.
- (k) Following the issue of Shares following exercise of vested Awards, Participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the Participant.

4. Vesting and Exercise of Options or Performance Rights

- (a) Vesting Conditions: Subject to rules 4(b) and 4(c) below, an Award acquired under the Plan will not vest and be exercisable unless the vesting conditions (if any) attaching to that Award have been satisfied and the Board has notified the Eligible Participant of that fact within 10 Business Days of becoming aware that any vesting condition has been satisfied.
- (b) Vesting Condition Waiver: Notwithstanding rule 4(a) above, the Board may in its absolute discretion, by written notice to an Eligible Participant, resolve to waive any of the vesting conditions applying to an Award. For clarity, the Board may in its discretion waive or reduce any vesting conditions after the time specified for satisfaction of those vesting conditions has passed. In the event of a Change of Control of the Company, the Board may resolve to waive all vesting conditions attaching to an Award.
- (c) Exercise on Vesting: A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer Document, exercise any vested Award at any time after the Board notifies that the Award Right has vested and before it lapses by providing the Company with:
- (i) the certificate for the Awards or, if the certificate for the Awards has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
 - (ii) a notice addressed to the Company and signed by the Participant stating that the Participant exercises the Awards and specifying the number of Awards which are exercised; and
 - (iii) in respect of Options, payment to the Company in cleared funds of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised, unless there is no exercise price payable in respect of the Options to be exercised or the Cashless Exercise Facility (explained in rule 4(e)) applies.
- (d) One or Several Parcels: Awards may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Awards in any parcel is not less than a marketable parcel (as defined in the ASX Listing Rules).
- (e) Cashless Exercise Facility:
- (i) Market Value, in respect of a Share, means the volume weighted average market price for Shares traded on the ASX during the 7 day period up to and including the day on which the Market Value is to be determined.
 - (i) In respect of Options, the Board may, in its discretion, permit a Participant to exercise some or all of their Options by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles a Participant to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.
 - (ii) If a Participant elects to use the Cashless Exercise Facility, and its use is approved by the Board, the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:
 - (A) *the aggregate total Market Value (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised for a cash Option Exercise Price;*
 - (B) *less the aggregate total Option Exercise Price otherwise payable in respect of the vested Options exercised; and*
 - (C) *divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.*
 - (iii) If the Option Exercise Price otherwise payable in respect of the Options being exercised is the same or higher than the Market Value of Shares at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.
- (f) Lapsing of Awards: An Award will lapse upon the earlier of:
- (i) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
 - (ii) a vesting condition not being satisfied or becoming incapable of satisfaction (and not being waived);
 - (iii) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Award or allow it to remain unvested;
 - (iv) in respect of a vested Award, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result;

- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
- (vi) in respect of an unvested Award, the Company undergoes a Change of Control or a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Incentive Plan; and
- (vii) the expiry date of the Award.

5. Restrictions

- (a) The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award (Restricted Shares), up to a maximum of fifteen (15) years from the Acquisition of the Award (Restriction Period).
- (b) The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period (other than where imposed by the ASX Listing Rules).
- (c) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (d) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules. The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.
- (e) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

INCENTIVE PLAN – GLOSSARY

Change of Control means:

- (a) a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Acquisition Date means, in respect of an Award, the date the Board resolves to accept an Application Form from an Eligible Participant or Nominee (as applicable) and to provide the Award to the applicant.

Class Order means ASIC Legislative Instrument 14/1000 as amended or replaced from time to time.

Eligible Participants means a Director (whether executive or non-executive), a full or part time employee of the Company or any of its subsidiaries (Group Company), a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order) and a prospective participant who has entered into an agreement to become an Eligible Participant.

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members; or
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant.

SCHEDULE 2 – SUMMARY OF KEY CHANGES BETWEEN PROPOSED CONSTITUTION AND EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

Set out in the table below is a non-exhaustive list of the key differences between the Company's current Memorandum and Articles of Association and the constitution proposed to be adopted:

<u>Change relating to:</u>	<u>Existing Memorandum and Articles of Association</u>	<u>Proposed New Constitution</u>
<i>Establishing employee share scheme and/or other schemes</i>	Nil	Clause 3: permits the Directors to establish one or more employee share schemes and/or other scheme or plans providing for the acquisition or receipt of other securities or rights
<i>Inclusion of wording of Appendix 15A of ASX Listing Rules</i>	Nil	Clause 4: wording of Appendix 15A included
<i>Changes to share capital</i>	Clause 28: included a power for the Company to make changes to its share capital by resolution or special resolution	Clause 5: permits the issue or any shares or securities subject to the Corporations Act, the Listing Rules and the constitution
<i>Transfer of shares</i>	Clause 27: transfers of shares to be facilitates by the Company or Company's share registrar	Clauses 25 to 27: inclusion of the operation of a CS Facility to facilitate share transfers, generally
<i>Proportional takeover bids</i>	Nil	Clause 28: inclusion of proportional takeover bids clauses which prohibit a proportional takeover bud being made unless shareholder approval is received, or a shareholder vote is not held in time
<i>Sale of non-marketable parcels of shares</i>	Nil	Clause 12: includes a restriction on a Shareholder holding an unmarketable parcel of shares (as defined by the Listing Rules), and provides the process and power for Company to sell such unmarketable parcels with certain restrictions
<i>Ability of Directors to call a meeting of members</i>	Clause 31.1: any Director may at any time convene a general meeting	Clause 31(1): any two (2) Directors may call a meeting of members
<i>Business of annual general meeting</i>	Nil	Clause 33: inclusion of provisions specifying the business that must be dealt with at each annual general meeting
<i>Quorum of members</i>	Clause 34.2: a quorum of members is two (2) members.	Clause 35(2): a quorum of members is five (5) members.
<i>Casting vote of Chair</i>	Clause 37.3: the Chairman has a casting vote on a show of hands and on a poll in addition to the Chairman's votes as a member, proxy, attorney or representative	Clause 41: the Chairperson does not have a casting vote on a show of hands or on a poll in addition to the Chairman's votes as a member, proxy, attorney or representative
<i>Decisions made at meetings and validity of voting</i>	Clauses 38.3 and 38.4: the Chairman may determine any dispute about the admission or rejection of a vote and the Chairman's determination will be final	Clause 39(6): this clause states that a decision of a general meeting may not be impeached or invalidated on the ground of an invalid vote, recognising limits imposed by the Courts with respect

		to the determination of the validity of voting at meetings by the Chairperson
<i>Voting entitlement for partly paid shares</i>	Nil	Clause 44(1)(c)(ii): for each partly paid share held by a member, that member has a fraction of a vote equivalent to the proportion of the share paid is of the total amount payable in respect of the share
<i>Restricted Securities voting</i>	Nil	Clause 44(2): During a breach of the Listing Rules relating to Restricted Securities or a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities
<i>Votes required to be disregarded under the Listing Rules</i>	Nil	Clause 47(4): inclusion of a provision stating that a vote which the Listing Rules require the Company to disregard is not valid
<i>Proxy in blank</i>	Nil	Clause 50: if an instrument of proxy is signed by a member but does not include the name of the proxy, the Chairperson may act as proxy or complete the instrument of proxy in favour of a Director or the Company Secretary
<i>Number of Directors</i>	Clause 50.1: minimum of three (3) Directors and maximum of ten (10) Directors	Clause 54(2): minimum of three (3) Directors and maximum of twelve (12) Directors
<i>Directors appointed to fill a casual vacancy</i>	Clauses 53 and 54: Directors appointed to fill a casual vacancy will hold office until they die or are removed in certain circumstances	Clause 57: Directors appointed to fill a casual vacancy hold office only until the next annual general meeting when they may be re-elected
<i>Retirement by rotation</i>	Clause 54: a Director will continue to hold office until they die or are removed in certain circumstances	Clause 59: one-third of the Directors must retire at each annual general meeting, and be eligible for re-election, in accordance with the Listing Rules
<i>Powers and duties of Directors</i>		Clause 65(2)(d): adds a further power of the Directors to exercise all the power of the Company to guarantee or to become liable for the payment of money or the performance of any obligation by or of any other person
<i>Casting vote at Directors' meetings</i>	Clause 61.2: the Chairman of a meeting of Directors does not have a casting vote in addition to their deliberative vote	Clause 67(2): the Chairperson has a casting vote in addition to their deliberative vote
<i>Passing written resolutions</i>	Clause 68.1: requires a Directors' meeting to pass a written resolution signed by Directors stating they are in favour of the resolution	Clause 73(1): enables passing of a written resolution where the majority of Directors are in favour of the resolution when the last Director forming the majority signs.

<i>Resolutions in electronic form</i>	Nil	Clause 73(3) and (7): permits written resolutions and agreements by Directors in favour of resolutions by email or electronic notification
<i>Payment of dividends</i>		Clauses 89 to 95: inclusion of provisions relating to dividends for consistency with the Listing Rules, including a provision that Directors can declare dividends only when permitted by the Corporations Act and the Listing Rules
<i>Distribution of assets</i>		Clauses 96(4) and (5): added provisions in respect of distribution of assets made by the company in accordance with recent guidance from the Australian Securities and Investments Commission

Other than those differences set out above, the constitution proposed to be adopted by the Company includes variations aimed at modernising the Company's corporate governance.

A full copy of the Company's current Memorandum and Articles of Association and the constitution proposed to be adopted can be obtained by shareholders from the Company's website at the following link: <http://www.optiscan.com/investors/agm-annual-reports/>, or from the Company free of charge by contacting the Company Secretary.



Optiscan Imaging Limited
ACN 077 771 987

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



OIL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 3:00pm (AEDT) on Wednesday, 22 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Optiscan Imaging Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Optiscan Imaging Limited to be held at the Monash Room, The Novotel Hotel, 285 Springvale Road, Glen Waverly, Victoria, 3150 on Thursday, 24 November 2017 at 3:00pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 & 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 & 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 & 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Dr Philip Currie as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Adoption of Incentive Option & Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Correction of a Vesting Date of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Adoption of Replacement Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /