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ALCIDION

ALCIDION GROUP LIMITED
ACN 143 142 410

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 19 November 2020

Time of Meeting:
2.00pm (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Statement will be circulated. A Notice of Access and Proxy Form will be delivered by mail providing instruction on how to vote and attend the meeting. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website <https://www.alcidion.com/>.

*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*

ALCIDION GROUP LIMITED

ACN 143 142 410

Registered office: Level 4, 96-100 Albert Road, South Melbourne VIC 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Alcidion Group Limited (the "Company") will be held virtually via a webinar conferencing facility at 2.00pm (AEDT) on Thursday, 19 November 2020 ("Annual General Meeting" or "Meeting").

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on all resolutions in the Notice of Annual General Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions below or on your personalised proxy form which will be provided along with a copy of the Notice, delivered to you by email or post (depending on your communication preferences)

Online www.investorvote.com.au
Or for Intermediary Online subscribers only (custodians) www.intermediaryonline.com

By Fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By Mail Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001

Proxies must be received at least 48 hours before the time for holding the meeting (being no later than 2:00pm (AEDT) Tuesday 17th November 2020.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM as part of the Poll voting. The virtual meeting can be attended using the following details:

When: Thursday, 19 November 2020 at 2.00pm (AEDT)

Topic: ALC Annual General Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_tQAq7ZDPQBqq_kqCdVSvJQ

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to mleydin@leydinfreyer.com.au. Where a written question is raised in respect of the key management personnel of the Company or the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: ALC) and on its website at <https://www.alcidion.com/>.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, include defined terms and 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 (including the Remuneration Report) and auditors for the year ended 30 June 2020.

Note: Except for as set out in Resolution 1, 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 and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2020 be adopted.”

A voting exclusion statement as set out below in this Notice applies to this Resolution.

Resolution 2: Re-election of Ms Rebecca Wilson as a Director of the Company

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

“That Ms Rebecca Wilson, who retires by rotation pursuant to the Constitution of the Company and being eligible offers herself for re-election, be re-elected as Director of the Company.”

Resolution 3: Approval to Grant Performance Rights to Ms Kate Quirke

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 2,547,511 Performance Rights in the Company to Ms Kate Quirke, or her nominee, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement as set out below in this Notice applies to this Resolution.

Resolution 4: Approval to Grant Performance Rights to Prof. Malcolm Pradhan

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

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 563,309 Performance Rights in the Company to Prof. Malcolm Pradhan, or his nominee, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement as set out below in this Notice applies to this Resolution.

SPECIAL BUSINESS

Resolution 5: Approval of Amendments to the Constitution

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

“That, for the purposes of Section 136(2) of the Corporations Act and for all other purposes, approval is given that the constitution of Alcidion Group Limited is amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the meeting.”

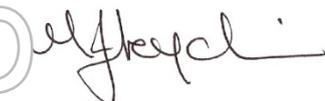
FOR PERSONAL USE ONLY

Resolution 6: Approval of 10% Placement Facility

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

That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 at an issue price of not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date on which the issue is made and otherwise on the terms and conditions in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting."

In my order of the Board



Melanie Leydin
Company Secretary
Dated: 9 October 2020

Notes

Entire Notice: The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.

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. 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.

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 or the Corporations Act.
- 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 Chair 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 2.00pm (AEDT) on Tuesday, 17 November 2020. Any proxy received after that time will not be valid for the scheduled meeting.

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.

How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 and 5

There are no voting exclusions on these Resolutions.

Resolutions 3 and 4

The Company will disregard any votes cast in favour of each of Resolutions 3 and 4 (respectively and separately) by or on behalf of

- Ms Kate Quirke and Prof Malcom Pradhan or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or
- an associate of person referred to in the preceding paragraph.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, a vote must not be cast as proxy on any of Resolutions 3 and 4 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on any of Resolutions 3 and 4 as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) and expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 6

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

7. Special Resolution

Resolutions 5 and 6 are proposed as special resolutions. 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.

6. Enquiries

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement ("**Statement**") accompanies and forms part of the Company's Notice of Annual General Meeting ("**Notice**") for the 2020 Annual General Meeting ("**Meeting**") will be held virtually via a webinar conferencing facility at 2.00pm (AEDT) on Thursday, 19 November 2020.

The Notice incorporates, and should be read together, with this Statement.

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2020 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 cost 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) 9692 7222, 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: <https://www.alcidion.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.

Shareholders will have the opportunity to ask questions about or make comments on, the 2020 Annual Report and the management of the company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2020 Annual Financial Statements.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) 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 June 2020 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.

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 on that resolution 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

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that shareholders vote in favour of this Resolution to adopt the Remuneration Report.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 2: Re-election of Rebecca Wilson as a Director of the Company

Background

The Constitution of the Company requires that a Director must not hold office without re-election (a) following the third annual general meeting after that Director's last appointment or re-election or (b) for more than three years, whichever is longer.

Ms Wilson was appointed to the Company as a Non-Executive Director of the Company on 1 August 2017, and was re-elected at the Company's annual general meeting on 24 November 2017. She was appointed as Chair on 30 August 2019 and is a member of both the Audit & Risk Committee and Remuneration & Nomination Committee.

Ms Wilson has spent the last 20 years working with fast growth, innovative based ASX companies in the MedTech, life science, CleanTech and FinTech sectors providing advice on stakeholder communications, issues management, investor and corporate relations, and business strategy to private and public companies, research institutes, governments, and asset managers. She is a specialist in complex stakeholder engagement and management leading major M&A transaction and business transformation projects, and has strong capital market experience working on more than 50 IPOs and RTOs and hundreds of secondary capital raisings.

Ms Wilson is currently Executive Vice President of consulting firm WE Buchan, NED of Outcomes Australia, and Advisory Board member of Gillian Fox Leadership.

Board Recommendation

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

Voting Exclusions

There are no voting exclusions on this resolution.

RESOLUTIONS 3 and 4: APPROVAL TO GRANT PERFORMANCE RIGHTS – GENERAL COMMENTS

Overview

The Company is seeking Shareholder approval under Resolutions 3 and 4 for the grant of Performance Rights (**Rights**) to Ms Kate Quirke and Prof. Malcolm Pradhan as Long-Term Incentives.

The grant of the Performance Rights and the subsequent issue of Shares if pre-agreed performance and service conditions (Vesting Conditions) are achieved over a three-year performance period, provide a long term incentive designed to increase retention of key management personnel in a manner that is aligned with the interests of Shareholders.

The Performance Rights being granted do not form part of the recipient's annual remuneration entitlements which consist of base salary and Short-Term Incentives in the form of performance related cash bonuses. There is no automatic entitlement to further Performance Rights that may or may not be issued in the future.

To assist Shareholders these Explanatory Statement comments relating to these resolutions are structured as follows to minimise repetition:

- General comments providing an overview of Resolutions 3 and 4, including matters that are equally applicable and relevant to those resolutions;
- Followed by specific statements for each resolution.

Performance Rights – general features

The Rights will vest upon the achievement of defined performance and service period targets as defined below.

Following vesting, each Right will be exercised automatically converting to one fully paid ordinary Share in the Company.

The Company will apply for quotation of the awarded Shares on the ASX.

There will be no consideration payable by a Director upon the issue of the Rights and no amount payable upon conversion of vested Rights to Shares.

All Rights will expire at 5.00pm on the earlier of immediately following automatic exercising of these rights following vesting or 31 October 2023. All rights which have not vested, or which have vested but have not been converted to Shares by that expiry time, will expire.

Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either:

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company.

A “financial benefit” for the purposes of the Corporations Act also has a very wide meaning. It includes a public company paying money or issuing securities to a related party.

Ms Kate Quirke and Prof. Malcolm Pradhan are each related parties of the Company due to the fact that each of them is a Director of the Company. The issue of Rights to each of those persons constitutes a “financial benefit” as described in the Corporations Act. Accordingly, the proposed issue of Rights pursuant to Resolutions 3 and 4 will constitute the provision of a financial benefit to a related party of the Company.

The Board has formed the view that the proposed issues of Rights to each of Ms Kate Quirke and Prof. Malcolm Pradhan does not require Shareholder approval under Section 208 of the Corporations Act as each of the issues would constitute “reasonable remuneration”, given the circumstances of the Company and circumstances of each of the respective Directors (including the responsibilities involved in their respective offices and employment arrangements) in accordance with section 211 of the Corporations Act. In reaching this view, the Board considers the proposed issues of Rights to those Directors is aligned with Shareholder interests. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to ASX Listing Rule 10.14.

Resolution 3: Approval to Grant Performance Rights to Ms Kate Quirke

Background

The Company is seeking Shareholder approval for the grant of 2,547,511 Performance Rights (**Rights**) to Ms Kate Quirke (being a right to acquire up to 2,547,511 fully paid ordinary shares in the Company on the terms as described below).

This resolution seeks shareholder approval for the proposed issue of Performance Rights to the Managing Director and Chief Executive Officer of the Company, Ms Kate Quirke, under the Company’s Equity Incentive Plan (the **Plan**) the key terms of which are summarized in Appendix A.

ASX Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not, without the approval of shareholders, permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1: a director of the Company;
- 10.14.2: an associate of a director of the Company; or
- 10.14.3: a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The proposed issue of the Performance Rights falls within Listing Rules 10.14.1 and/or 10.14.2 above, as the proposed recipient of the Performance Rights is a director of the Company and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

This Resolution seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If this Resolution is passed, the Company will be able to proceed with the issue of the Performance Rights and the Director will receive the number of Performance Rights set out in the table on page 11 of the Explanatory Statement, with the potential increase in their shareholding as described on page 11.

If this Resolution is not passed, the Company will not proceed with the issue of the Performance Rights to the Director, and the Director will not receive the Performance Rights or potential shareholdings as described on page 12.

If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.15 in respect of the proposed acquisition of Performance Rights by the Director under this Resolution:

- (a) the proposed recipient is Ms Kate Quirke;
- (b) the proposed recipient is a director of the Company;
- (c) 2,547,511 Performance Rights are proposed to be issued to Ms Kate Quirke;
- (d) details of Ms Quirke's current total remuneration package are as follows:

Name of the Director	Nature	Remuneration Package Details
Ms Kate Quirke	Managing Director & CEO	Salary of \$413,461 gross inclusive of statutory superannuation, any allowances and salary sacrifices. STI available of \$96,000 on achieving on-budget revenue and other personal performance targets with up to an additional \$64,000 on achieving stretch targets. Eligibility to participate in the Long Term Incentive Plan (LTIP) with the issue of rights or options (subject to shareholder approval) up to the value of 100% of base salary, vesting after 3 years.

- (e) details of the securities previously issued to the Director under the Plan are Nil.
- (f) information regarding or containing:
 - a. a summary of the material terms of the Performance Rights; and
 - b. an explanation of why Performance Rights are being used; is set out above, and
 - c. the value attributed by the Company to the Performance Rights and its basis is set out below;
- (g) the Performance Rights will be issued as soon as practicable after the date of the Meeting, with the issue date being no later than 3 months after the date of the Meeting;
- (h) the Performance Rights will be issued for nil consideration;
- (i) a summary of the material terms of the Plan are set out in Appendix A;
- (j) Details of any securities issued under the Plan will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14;

- (k) Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement is included in this Notice.

Terms of Rights

The number of Performance Rights to be issued is calculated as a number equal to 100% of Ms Quirke's base salary divided by the 30 day VWAP (from the day prior to 1 July 2020) of ALC shares.

The Rights will vest:

- upon the release of the audited financial accounts for June 2023;
- only if:
 - the Company's Total Shareholder Return (TSR) outperforms the S&P/200 All Industrial Index (S&P/ASX 200) over the period of 1 July 2020 to 30 June 2023 (Market Hurdle);
 - the Company's TSR is a positive increase from 30 June 2020 (Base Year); and
 - continuous employment by the Company from 1 July 2020 until 30 June 2023 (Service Condition); and
- then be automatically exercised on vesting conditions being met, entitling the holder to one fully paid ordinary share in the Company (details of the Performance Rights grant for Ms Quirke is outlined below):

Resolution	Name of the Director	Nature	Number of Performance Rights
Resolution 3	Ms Kate Quirke	Managing Director and Chief Executive Officer	2,547,511

The Company has obtained an independent assessment of the indicative fair value of the Performance Rights as summarized below. The values are indicative only based on assumptions relevant at the date of the calculation, being 1 May 2020. Different assumptions may be relevant at grant date which may alter the value of the Performance Rights for financial reporting purposes. The total remuneration package in the table set out on page 10 of the Explanatory Statement would be increased by the total dollar amount set out in the following table, based on the assumptions. The actual valuation amount will not be able to be calculated until the Performance Rights are issued (at which time the assumptions may have changed).

Assessment for Ms Kate Quirke	
Indicative fair value per Performance Right	\$0.1085
Total Performance Rights	2,547,511
Total \$	\$276,405

The indicative fair value was calculated using the Monte Carlo simulation pricing model. The assumptions used in the valuation model were as follows:

Spot price (1 May 2020)	\$0.1550
Exercise price	\$Nil
Vesting date	30 June 2023
Expiry date	31 October 2023
Expected future volatility ⁺	80.22%
Risk free rate	0.326%

[^] Based on the issue date assumed as being the valuation date.

⁺ Based on assessment of estimated future volatility of the Company

As at the date of this Notice, the Director who is proposed to receive the Performance Rights has the following director and indirect interest in shares and/or rights in the Company:

Director/Shareholder (and/or associate(s))	Existing		Options	Performance Rights
	Shares	%		
Ms Kate Quirke	27,793,199	2.80%	Nil	Nil
MNMD Pty Ltd <Quirke Superannuation Fund>	18,668,086	1.88%	Nil	Nil
Robin Michael Doyle	100,000	0.01%	Nil	Nil
MKMS Investments Pty Ltd	11,481,272	1.16%	Nil	Nil
Total	58,042,557	5.85%	Nil	Nil

Following issue of the Performance Rights, Ms Quirke would hold 2,547,511 Performance Rights. If the Director's Performance Rights were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentage would increase as follows:

Director	Existing%	New %
Ms Kate Quirke	5.85%	6.10%

A summary of the additional terms of this issue of Rights are set out in Appendix A of this Explanatory Statement.

Board Recommendation

The Board (with Ms Kate Quirke abstaining), recommends that Shareholders vote in favour of Resolution 3. The Chairman will vote undirected proxies in favour of Resolution 3.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 4: Approval to Grant Performance Rights to Prof. Malcolm Pradhan

Background

The Company is seeking Shareholder approval for the grant of 563,309 Performance Rights (**Rights**) to Prof. Malcolm Pradhan (being a right to acquire up to 563,309 fully paid ordinary shares in the Company on the terms as described below).

This resolution seeks shareholder approval for the proposed issue of Performance Rights to Executive Director and Chief Medical Officer of the Company, Prof. Malcolm Pradhan, under the Company's Equity Incentive Plan (the **Plan**) the key terms of which are summarized in Appendix A.

ASX Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not, without the approval of shareholders, permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1: a director of the Company;
- 10.14.2: an associate of a director of the Company; or
- 10.14.3: a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The proposed issue of the Performance Rights falls within Listing Rules 10.14.1 and/or 10.14.2 above, as the proposed recipient of the Performance Rights is a director of the Company and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

This Resolution seeks the required shareholder approval to the issue under and for the purposes of Listing Rule 10.14.

If this Resolution is passed, the Company will be able to proceed with the issue of the Performance Rights and the Director will receive the number of Performance Rights set out in the table on page 14 of the Explanatory Statement, with the potential increase in their shareholdings as described on page 14.

If this Resolution is not passed, the Company will not proceed with the issue of the Performance Rights to the Director, and the Director will not receive the Performance Rights or potential shareholdings as described on page 14.

If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.15 in respect of the proposed acquisition of Performance Rights by the Director under this Resolution:

- (a) the proposed recipient is Prof. Malcolm Pradhan;
- (b) the proposed recipient is a director of the Company;
- (c) 563,309 Performance Rights are proposed to be issued to Prof. Malcolm Pradhan;
- (d) details of Prof. Pradhan's current total remuneration package are as follows:

Name of the Director	Nature	Remuneration Package Details
Prof. Malcolm Pradhan	Chief Medical Officer and Executive Director	\$304,750 gross exclusive of superannuation

- (e) details of the securities previously issued to the Director under the Plan are Nil.
- (f) information regarding or containing:
 - a. a summary of the material terms of the Performance Rights;
 - b. an explanation of why Performance Rights are being used; and
 - c. the value attributed by the Company to the Performance Rights and its basis;
 is set out above;
- (g) the Performance Rights will be issued as soon as practicable after the date of the Meeting, with the issue date being no later than 3 months after the date of the Meeting;
- (h) the Performance Rights will be issued for nil consideration;
- (i) a summary of the material terms of the Plan are set out in Appendix A;
- (j) Details of any securities issued under the Plan will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14;
- (k) Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement is included in this Notice.

Terms of Rights

The number of Performance Rights to be issued is calculated as a number equal to 30% of Prof. Pradhan's base salary divided by the 30 day VWAP (from the day prior to 1 July 2020) of ALC shares.

The Rights will vest:

- upon the release of the audited financial accounts for June 2023;
- only if:

- the Company's Total Shareholder Return (TSR) outperforms the S&P/200 All Industrial Index (S&P/ASX 200) over the period of 1 July 2020 to 30 June 2023 (Market Hurdle);
- the Company's TSR is a positive increase from 30 June 2020 (Base Year); and
- continuous employment by the Company from 1 July 2020 until 30 June 2023 (Service Condition); and
- then be automatically exercised on vesting conditions being met, entitling the holder to one fully paid ordinary share in the Company (details of the Performance Rights grant for Prof. Pradhan is outlined below):

Resolution	Name of the Director	Nature	Number of Performance Rights
Resolution 4	Prof. Malcolm Pradhan	Chief Medical Officer and Executive Director	563,309

Assessment for Prof Malcolm Pradhan	
Indicative fair value per Performance Right	\$0.1085
Total Performance Rights	563,309
Total \$	\$61,119

Comments regarding the calculation of the indicative fair value of the performance rights are set out on page 11.

As at the date of this Notice, the Director who is proposed to receive the Performance Rights has the following director and indirect interest in shares and/or rights in the Company:

Director/Shareholder (and/or associate(s))	Existing		Options	Performance Rights
	Shares	%		
Prof. Malcolm Pradhan	134,582,403	13.58%	Nil	Nil

Following issue of the Performance Rights, Prof. Pradhan would hold 563,309 Performance Rights. If the Director's Performance Rights were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentage would increase as follows:

Director	Existing%	New %
Prof. Malcolm Pradhan	13.58%	13.63%

A summary of the additional terms of this issue of Rights are set out in Appendix A of this Explanatory Statement.

Resolution 5: Approval of Amendments to the Constitution

Background

As part of the Company's regular review of its Constitution to streamline administration, minimise costs and incorporate recent regulatory updates, the Company proposes the following changes to the Constitution.

That for the purposes of Section 136(2) of the Corporations Act, and for all other purposes that the Constitution of the Company be amended in the following manner:

- (a) Rule 16.6(a) be amended from:

"16.6(a) set out the place, the day and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate the holding of the meeting in that manner)."

To read as follows:

“16.6(a) set out the place, the day and time for the meeting (and, if the meeting is to be held in two or more places simultaneously, including by way of virtual or hybrid meeting, the technology that will be used to facilitate the holding of the meeting in that manner and that gives the Shareholders as a whole a reasonable opportunity to participate).”;

(b) Addition of new Rules 16.7(a), (b) and (c) as follows:

“16.7 Meeting Technology

(a) If one or more separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:

- (i) gives the Shareholders in each such separate meeting place a reasonable opportunity to participate in proceedings in the main place;
- (ii) enables the chairman to be aware of proceedings in such other places; and
- (iii) enables the Shareholders in each such separate meeting place to vote on a show of hands or on a poll,

a Shareholder present at a separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.

(b) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in clause 16.6A(1) is not satisfied, the chairman of the meeting may:

- (i) adjourn the meeting until the difficulty is remedied; or
- (ii) continue to hold the meeting in the main place (and any other place which is linked under clause 16.6A(1)) and transact business, and no Shareholder may object to the meeting being held or continuing.

(c) Nothing in this clause 16.6A is to be taken to limit the powers conferred on the chairman of the meeting by law.”;

(c) Rule 36.1(d) be amended from:

“(d) by e-mail to the Member’s electronic address;”

To read as follows:

“(d) by electronic address the Member has supplied to the company for the giving of notices, a URL from which the notice and other material can be viewed or downloaded;”

(d) Rule 36.1(e) be amended from:

“(e) by post by sending it addressed to the Member at the Member’s address;”

To read as follows:

“(e) by sending, to the member’s address in the register of members or an alternative address nominated by the member, a letter or postcard setting out a URL from which the notice and other material can be viewed or downloaded;

(e) Addition of new Rule 36.8 as follows:

“36.8 Any notice made available on the company’s website and/or the ASX Market Announcements Platform will be deemed to have been served on the date the notice becomes available for viewing and downloading by a member of the public.”

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of this Resolution.

Voting Exclusions

There are no voting exclusions on this Resolution.

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- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
 - (E) plus the number of partly paid shares that became fully paid in the relevant period;
 - (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer above).

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 19 November 2020, and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 19 November 2021;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
- (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised). Shareholders may also be exposed to economic risk and voting dilution, including the following:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 23 September 2020 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.063 50% decrease in Current Share Price	\$0.125 Current Share Price	\$0.250 100% increase in Current Share Price
Current Variable A 990,694,052 Shares	10% Voting Dilution	99,069,405 Shares		
	Funds raised	\$6,191,838	\$12,383,676	\$24,767,351
50% increase in current Variable A 1,486,041,078 Shares	10% Voting Dilution	148,604,108 Shares		
	Funds raised	\$9,287,757	\$18,575,513	\$37,151,027
100% increase in current Variable A 1,981,388,104 Shares	10% Voting Dilution	198,138,810 Shares		
	Funds raised	\$12,383,676	\$24,767,351	\$49,534,703

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including existing Listed Options and/or any Listed Options issued under the 10% Placement Facility) are exercised into Shares or other convertible securities (including ZCSs) are converted to Shares before the date of the issue of the Equity Securities;
- 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%.
- 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 Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.125 (12.5 cents) being the closing price of the Shares on ASX on 23 September 2020.

- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12 month period preceding the date of the Meeting; and
 - (ii) had not agreed, before the 12 month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

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Directors Recommendations

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

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

GLOSSARY

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

“\$” means Australian Dollars;

“10% Placement Facility” has the meaning as defined in the Explanatory Statement for Resolution 6;

“10% Placement Period” has the meaning as defined in the Explanatory Statement for Resolution 6;

“Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“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 CHESS 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;

“CHESS” 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 Alcidion Group Limited ACN 143 142 410;

“Constitution” means the constitution 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 Statement” means the explanatory statement 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 this Notice of Meeting including the 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 the Company for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report.

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

“Section” means a section of the Explanatory Statement;

“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;

“VWAP” means volume weighted average price.

APPENDIX A – SUMMARY OF MATERIAL TERMS OF THE EQUITY INCENTIVE PLAN

The Company has established the Alcidion Group Limited Equity Incentive Plan. The full terms of the Alcidion Group Limited Equity Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Alcidion Group Limited Equity Incentive Plan (**Plan**) is set out below.

1 Awards

- (a) Under the Plan, Participants (as defined below) will be granted incentive awards ('Awards') which may comprise:
 - (i) shares, issued at a price determined by the Board in their sole and absolute discretion, subject to any vesting conditions ('Shares'); and/or
 - (ii) options, issued at a price determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to any vesting conditions ('Options'); and/or
 - (iii) performance rights, issued at a price determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions ('Performance Rights').
- (b) Awards may have grant conditions. Subject to those grant conditions being satisfied, all Awards will be granted subject to the satisfaction of vesting conditions (if any) as determined by the Board in its sole and absolute discretion.

2 Eligibility

- (a) At the discretion of the Board, a person who is:
 - (i) a full time or part time employee or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the Company, a body corporate that has voting power in the Company of not less than 20% or a body corporate in which the Company has voting power of not less than 20%) ('Group Company');
 - (ii) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
 - (iii) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company, where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company,is permitted to participate in the Plan.
- (b) People eligible to participate in the Plan are called 'Eligible Employees'. The Board may permit an Award the subject of an offer under the Plan ('Offer') to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) ('Nominated Party').
- (c) A 'Participant' is an Eligible Employee or Nominated Party to whom an Award has been granted.

3 Payment for Awards

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

4 Limits on Number of Awards Granted

- (a) Under the Plan rules, where an Offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the Offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (b) As at the date of the Notice there are 805,671,138 existing Shares on issue, and no Shares have been or may be issued as a result of offers made in the 3 years prior to the date of the Notice under any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, resulting in a maximum of 40,283,556 Shares available to be issued in respect of grants of Awards under the Plan in reliance on ASIC Class Order 14/1000 (as at the date of the Notice).
- (c) This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making Offers under the Plan.

5 Entitlements of Participants

- (a) Notice of meeting
 - (i) Unless otherwise resolved by the Board when it makes an Offer, and subject to the terms of issue, a Participant who holds Shares is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the Offer.
 - (ii) Subject to the Corporations Act and the Company's constitution, a Participant will not, as a holder of an Option or a Performance Right, have any right to attend or vote at general meetings of holders of Shares.
- (b) Dividends
 - (i) The Board may determine, at the time of an Offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).
 - (ii) Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.
- (c) Changes in capital
 - (i) Unless otherwise resolved by the Board when it makes an Offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights issue, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights issue will be subject to the Plan as if those shares were Shares issued under the Offer made to the Participant.

- (ii) Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.
- (iii) In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the Offer to a Participant as the Board deems appropriate.
- (iv) If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.
- (v) If the Company makes a pro rata issue (except a bonus issue) the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.
- (vi) If the Company makes a bonus issue the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue.
- (vii) If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

6 Dealing, Vesting, Exercise and Allotment

(a) Dealing

- (i) Participants must not dispose of, grant (or attempt to grant) any security interest in or over, or otherwise deal with (or attempt to dispose or deal with) an Award unless:
 - i. in respect of a Share, it is in compliance with the terms of the Offer and any Share vesting conditions; and
 - ii. in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (ii) While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.
- (iii) Unless otherwise decided by the Board, where a Participant purports to Deal with an Option or Performance Right other than in accordance paragraph 6(a)(i)(B) above, the Option or Performance Right immediately lapses.
- (iv) If restricted by applicable law or the Company's Securities Trading Policy, a Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested Shares, or to any Options or Performance Rights.

(b) Vesting

- (i) Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

(c) Exercise

- (i) Vested Options and Performance Rights can only be exercised between the 'First Exercise Date' (being the date of issue of the Award or such other date as is specified in the Offer or otherwise determined under the Plan rules) and up until the date that is two years after the First Exercise Date, or such other date specified in the Offer or such other date as the Award lapses under the Plan rules ('Last Exercise Date').
- (ii) The exercise price (if any) per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.
- (iii) Unless the terms of the relevant Offer states otherwise, the vesting of an Award with a nil exercise price (which does not include Options) will automatically trigger the exercise of the Award on the satisfaction of its vesting conditions without the need for any action on the part of the Participant.

(d) Allotment of Shares on Exercise of Options or Performance Rights

- (i) If Options or Performance Rights are exercised in accordance with the Plan rules, the Company will (subject to the rules of the Plan and the Listing Rules (if relevant)), within 15 Business Days of such exercise, issue or transfer to the Participant the Shares credited as being fully paid in respect of which the Options or Performance Rights are exercised.
- (ii) The Company may extend the allotment date, where withholding obligations apply to the Participant and the Shares are not permitted to be sold on the allotment date in order to fund any withholding obligations, such that the issue of Shares may give rise to financial hardship to the Participant, or where the issue of Shares would trigger a requirement to lodge a cleansing notice under section 708A(6) of the Corporations Act in order for those Shares to be exempt from the on-sale provisions of the Corporations Act, and such lodgement would require the Company to disclose information being held back from disclosure under Listing Rule 3.1A at a time when the Board considers it to be detrimental for the Company to disclose such information.

(e) Trustee

- (i) The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares or other securities of the Company either on behalf of Participants or for the purposes of the Plan. Unless the Board determines otherwise, Participants have no rights in respect of Shares or other securities held by a trustee unless and until their Awards vest.

7 Lapse of Awards

- (a) Subject to the Board's discretion and to paragraph 9 below, if a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), or is dismissed from employment, engagement or office for cause or poor performance, or ceases to be employed or engaged in any other circumstance determined by the Board to be a "bad leaver" event:
 - (i) unvested Shares will be forfeited;
 - (ii) unvested Options and Performance Rights will lapse;
 - (iii) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment, engagement or office.

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- (b) If a Participant's employment, engagement of office with a Group Company ceases in any other circumstances, unless the Board determines different treatment is warranted:
 - (i) unvested Shares will be forfeited;
 - (ii) unvested Options and Performance Rights will lapse; and
 - (iii) vested Options and Performance Rights that have not been exercised will continue to force and remain exercisable, until the last exercise date determined by the Board or the Plan.
 - (c) In addition to the circumstances set out above, unless otherwise specified in the vesting conditions or determined otherwise by the Board, an Option or a Performance Right lapses on the earlier of:
 - (i) the Board determining that any applicable vesting condition has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
 - (ii) the day immediately following the Last Exercise Date; or
 - (iii) the Option or Performance Right lapsing as described in paragraphs 6 and 9.

Forfeiture

- (a) Unvested Shares will be forfeited on the earlier of:
 - (i) the Board determining that any applicable vesting condition has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
 - (ii) the Shares being forfeited under the Plan provisions dealing with cessation of employment, breach, fraud or misconduct; or
 - (iii) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law or the Company's Securities Trading Policy.
- (b) Vested Shares can also be forfeited under Rule 23 (Clawback) of the Plan (summarised in paragraph 11 below).
- (c) The Company must (in accordance with its rights as attorney for the Participant):
 - (i) sell forfeited Shares in the ordinary course of trading on ASX;
 - (ii) buy back and cancel the forfeited Shares; or
 - (iii) deal with the forfeited Shares in any other manner determined by the Board from time to time, subject to complying with the Corporations Act.
- (d) Unless specified otherwise in an Offer, no consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

Breach, Fraud or Misconduct

If the Board determines that a Participant (or Eligible Employee) has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been convicted on indictment for an offence under applicable law;

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- (c) had civil judgement entered against them in respect of duties at law, in equity or under statute in the capacity as an executive or Director of a Group Company;
 - (d) committed fraud, defalcation or gross misconduct; or
 - (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (f) unvested Shares will be forfeited; and/or
- (g) unvested Options and Performance Rights will lapse.

10 **Change of Control Events**

On the occurrence of a Change of Control Event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest;
- (b) Event bringing forward the First Exercise Date; and/or
- (c) reducing or waiving vesting conditions.

11 **Clawback**

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Board may:

- (a) cancel the affected Options or Performance Rights for no consideration or treat the Shares as forfeited;
- (b) require the Participant pay the Company the after tax value of the affected Shares, Options or Performance Rights within 30 business days;
- (c) declare that the relevant affected Shares, Options or Performance Rights are unvested; or
- (d) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Shares, Options or Performance Rights.

12 **Amendments to Terms of Exercise or the Plan**

- (a) The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a materially prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.
- (b) The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be materially reduced or materially adversely affected without the prior written approval of the affected Participant.

13 **Taxation**

- (a) An Offer made to a Participant that is subject to taxation of Awards in Australia will specify whether subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to that Offer.

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- (b) If the Company is required to withhold or account for any tax or social security contributions (in any jurisdiction) for which a Participant may be liable because of the grant of an Award, issue or transfer of Shares, payment of cash, or the vesting or exercise of an Award (the 'Amount'), the Company, related body corporate, or trustee may in its discretion and subject to obtaining any necessary ASIC relief withhold up to the Amount from any cash payment, and/or withhold a number of Shares which would otherwise be provided to the Participant and sell them in order to realise the Amount (with any excess received over the Amount net of costs of sale being paid to the Participant).

Additional provisions relating to UK and NZ Participants

- (a) Where:
- (i) a Participant is subject to taxation in respect of Awards in the United Kingdom or is, or its connected Eligible Employee is, subject to United Kingdom employment laws ('UK Participant'); or
- (ii) a Participant is subject to taxation in respect of Awards in New Zealand or is made an offer of Awards in New Zealand ('NZ Participant'),

the terms of any Offer of Awards will include certain additional provisions set out in Schedule 1 to the Plan ('UK Requirements') or Schedule 2 to the Plan ('NZ Requirements'), as applicable, to the extent those requirements are applicable to the issue of the Awards.

- (b) The UK Requirements deal with matters such as the relationship of the Plan to the Eligible Employee's employment, compliance with data privacy rules and United Kingdom taxation.
- (c) The NZ Requirements deal with matters such as compliance with relevant New Zealand securities law exemptions and New Zealand taxation.
- (d) The UK Requirements and the NZ Requirements do not displace the requirements of the Plan or the terms of any Offer with respect to the operation of the Corporations Act (including ASIC Class Order 14/1000 (or any amendment or replacement of it), where applicable) or the Listing Rules, and any Offer made to a UK Participant or NZ Participant must be made on such terms so that the Offer is capable of compliance with each of the Corporations Act, the Listing Rules and the UK Requirements or NZ Requirements (as applicable).



ALCIDION

ABN 77 143 142 410

Need assistance?



Phone:

1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00 PM (AEDT) on Tuesday, 17 November 2020.**

Proxy Form

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 184394

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Alcidion Group 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 Alcidion Group Limited to be held as a virtual meeting on Thursday, 19 November 2020 at 2:00 PM (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 Items 1, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 3 and 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 Items 1, 3 and 4 by marking the appropriate box in step 2.

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.

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Ms Rebecca Wilson as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Grant Performance Rights to Ms Kate Quirke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Grant Performance Rights to Prof. Malcolm Pradhan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

5 Approval of Amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 10% Placement Facility	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically