

ASX Code: IME

IMEXHS LIMITED

ACN 096 687 839

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am (AEDT)
DATE: 3 December 2019
PLACE: 122 O’Riordan Street
Mascot NSW 2020

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00 am (AEDT) on 1 December 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 125,000,000 SHARES

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

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 125,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of 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.

2. RESOLUTION 2 – APPROVAL TO ISSUE 125,000,000 SHARES TO PLACEES

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

“That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 125,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO RELATED PARTY, MR HOWARD DIGBY

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

“That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of up to 1,250,000 Shares to related party, Mr Howard Digby (or a nominated entity that he controls), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Howard Digby or any of his associates, as a person who is to receive the securities the subject of the Resolution and any person who may obtain a benefit solely in the capacity of a holder of Ordinary Securities if the Resolution is passed. 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.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 5,000,000 Options with an exercise price of \$0.054 per Option, at an issue price of \$0.00001 each (for a total of \$50.00) and an expiry date of 30 September 2022, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of 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.

Dated: 30 October 2019

By order of the Board



Peter Webse
Company Secretary

IMPORTANT NOTES FOR SHAREHOLDERS

Required majorities

The Resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the Resolution.

How to vote

You may vote by attending the Meeting in person or by proxy, attorney or authorised representative.

Voting in person

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

Voting by proxy

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

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

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

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment, which must comply with section 250D of the Corporations Act, may be a standing one. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolutions. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolutions.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company by telephone on +61 2 9030 0040.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 122 O’Riordan Street, Mascot NSW 2020, on 3 December 2019 at 10.00 am (AEDT).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

A Proxy Form is enclosed with the Notice of Meeting and Explanatory Statement.

1. BACKGROUND TO THE RESOLUTIONS 1, 2 AND 3

1.1 Placement

As announced on 24 October 2019, the Company is seeking to raise up to \$10 million by way of a proposed placement of 250,000,000 Shares at an issue price of \$0.04 per Share (**Placement**). The Placement is being completed in two tranches:

- (a) **Tranche 1:** 125,000,000 Shares to raise \$5 million at an issue price of \$0.04 per Share utilising the Company’s placement capacity under ASX Listing Rule 7.1; and
- (b) **Tranche 2:** 125,000,000 Shares to raise \$5 million at an issue price of \$0.04 per Share, subject to shareholder approval (see Resolution 2 of this Notice of Meeting) (**Tranche 2 Shares**).

The Company proposes to use the funds raised from the Placement to accelerate expansion into the US, Australia, Brazil and Spanish markets, step up AI product development, accelerate research and development and for general working capital purposes.

1.2 Lead manager and co-manager

The Company has engaged the services of Canaccord Genuity Patersons Ltd (**Canaccord**) as lead manager for the Placement and Forrest Capital Pty Ltd (**Forrest Capital**) as the co-manager for the Placement.

- (a) **Canaccord**

Canaccord and the Company have signed a mandate setting out the terms upon which Canaccord will act as lead manager to the Placement. Pursuant to the mandate, Patersons will be paid a:

- (i) management fee of 2% of the total amount raised in the Placement by Canaccord; and
- (ii) selling fee of 4% of the total amount raised in the Placement by Canaccord.

- (b) **Forrest Capital**

Forrest Capital and the Company have signed a mandate setting out the terms upon which Forrest Capital will act as co- manager to the Placement. Pursuant to that mandate, Forrest Capital will be paid a:

- (i) management fee of 2% of the total amount raised in the Placement by Forrest Capital; and

- (ii) selling fee of 4% of the total amount raised in the Placement by Forrest Capital; and
- (iii) 5,000,000 options exercisable at \$0.054 each and expiring on 30 September 2022.

1.3 Pro-forma capital structure

Following completion of the Placement, and assuming all of the Resolutions the subject of this Notice are approved by Shareholders, the capital structure of the Company will appear as follows:

	Number
Shares on issue prior to the Placement (as at 24 October 2019)	925,657,186
Shares issued pursuant to Tranche 1 of Placement (Resolution 1)	125,000,000
Shares to be issued pursuant to Tranche 2 of Placement (Resolutions 2 and 3)	125,000,000
Total Shares post Placement	1,175,657,186

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 125,000,000 SHARES

2.1 Background

This resolution is to ratify the prior issue of 125,000,000 Shares under Tranche 1 of the Placement.

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12 month period, without Shareholder approval (**15% Threshold**).

Listing Rule 7.4 allows an issue of equity securities, for which Shareholder approval was not first obtained, to not be counted towards the 15% Threshold when Shareholder approval for that issue is subsequently obtained.

That is, Listing Rule 7.4 permits an issue of Shares to be approved retrospectively. It provides that an issue of securities is treated as having been made with shareholder approval if ASX Listing Rule 7.1 was not breached at the time the securities were issued and Shareholders subsequently approve (ratify) the issue. The Company did not breach Listing Rule 7.1 at the time the Shares were issued and now seeks Shareholder approval for the issue of the Shares.

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

2.2 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided about the issue of Shares under Tranche 1 of the Placement.

- (a) The number of Shares that were issued by the Company was 125,000,000.
- (b) The price at which the Shares were issued was \$0.04 per Share.
- (c) The Shares that were issued were fully paid ordinary shares in the capital of the Company, ranking equally with all existing Shares on issue.
- (d) The Shares were issued to institutional, professional or sophisticated investors who were not related parties to the Company, under a placement co-lead managed by Canaccord and Forrest Capital.
- (e) The use of funds raised under the issue is set out in section 1.1.

3. RESOLUTION 2 – APPROVAL TO ISSUE 125,000,000 SHARES TO PLACEEES

3.1 Background

Resolution 2 seeks Shareholder approval for the issue of up to 125,000,000 Shares pursuant to Tranche 2 of the Placement.

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

The effect of Resolution 2 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the meeting without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

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

- (a) The maximum number of Shares to be issued under Tranche 2 is 125,000,000.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting, although it is intended that they will be issued within one week of the Meeting;
- (c) The issue price will be \$0.04 per Share.
- (d) The Shares will be issued to institutional, professional or sophisticated investors exempt from the disclosure requirements of Chapter 6D in the Corporations Act.
- (e) The Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The Company intends to use the funds raised from the Placement as set out in section 1.1.

4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO RELATED PARTY, HOWARD DIGBY

4.1 Background

As part of the Tranche 2 of the Placement, but subject to approval of this Resolution 3, Director Howard Digby has accepted to take a portion the Shares being offered to eligible investors.

4.2 Chapter 2E of the Corporations Act

For a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of its members pursuant to section 217 and 227 of the Corporations Act, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act. In this case, the Board is satisfied that the granting of the financial benefit to Mr Howard Digby falls within section 210(a) of the Corporations Act and, consequently, approval of members is not needed. This is because the terms on which the financial benefit is given to Mr Howard Digby, would be reasonable in the circumstances if he were an arm's length party. Those terms being the same terms as offered to all other participants in the Placement.

4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 allows an entity to agree to issue Shares to a related party if the issue is conditional on the entity first obtaining shareholder approval (ASX Listing Rule 10.12, Exception 10). If Shareholders do not approve the Resolution, the Company will not issue the Shares to Mr Digby and the Shares will instead be placed to another eligible investor.

4.4 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Mr Howard Digby.

- (a) Shares will be issued to director, Mr Howard Digby (or a nominated entity that he controls) as a part of the Placement.
- (b) The maximum number of Shares that will be issued to Mr Howard Digby is 1,250,000 Shares.
- (c) The Shares will be issued within 1 month after the Meeting, although it is intended that they will be issued within one day of the Meeting.
- (d) The issue price per Share will be \$0.04 per Share.
- (e) The Company intends to use the funds raised from the issue as set out in section 1.1.

As the issue of Shares to Mr Howard Digby will only be made with Shareholder approval, the issue will not impact on the Company's 15% annual placement capacity under ASX Listing Rule 7.1. Further, no separate approval is required under that listing rule.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

5.1 Background

Resolution 4 seeks Shareholder approval for the ratification of the prior issue of 5,000,000 Options to nominees of Forrest Capital. The Options were issued to the nominees of Forrest Capital pursuant to the terms of the mandate.

The ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12 month period, without Shareholder approval (**15% Threshold**).

Listing Rule 7.4 allows an issue of equity securities, for which Shareholder approval was not first obtained, to not be counted towards the 15% Threshold when Shareholder approval for that issue is subsequently obtained.

That is, Listing Rule 7.4 permits a grant of Options to be approved retrospectively. It provides that an issue of securities is treated as having been made with shareholder approval if ASX Listing Rule 7.1 was not breached at the time the securities were issued and Shareholders subsequently approve (ratify) the issue. The Company did not breach Listing Rule 7.1 at the time the Options were granted and now seeks Shareholder approval for the granting of the Options.

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

5.2 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided about the grant of the Options.

- (a) The number of Options that were granted by the Company was 5,000,000.
- (b) The Options are exercisable at \$0.054 each, at an issue price of \$0.00001 and expire on 30 September 2022.
- (c) Further terms of issue of the Options are set out in the Schedule. The Company does not intend on applying for quotation of the Options.
- (d) The Options were granted to the nominees of Forrest Capital Pty Ltd.
- (e) The funds raised (total of \$50) were used as working capital for the business of the Company and its Subsidiaries.

SCHEDULE – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options referred to in Resolution 4 are set out below.

- (a) Each Option entitles the holder (**Optionholder**) to subscribe for one Share.
- (b) Each Option is exercisable during the period from the date it was granted until 5:00pm (AEST) on 30 September 2022 (**Expiry Date**).
- (c) The exercise price of the Options will be 5.4 cents (**Exercise Price**).
- (d) The Options are exercisable by notice in writing to the Company setting out the number of Options being exercised, delivered to the delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price for those Options being exercised.
- (e) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares. The Company will apply for official quotation by ASX of the Shares immediately upon their issue in accordance with the ASX Listing Rules.
- (f) The Options will not be quoted on ASX.
- (g) If the Optionholder fails to exercise any Options before the Expiry Date, those Options that the Optionholder has not exercised will lapse and all rights of the Optionholder in respect of those Options cease.
- (h) There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in any new issue to shareholders of the Company during the currency of the Options.
- (i) If there is a reorganisation of the issued capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company or a return of capital, the number of Options or the Exercise Price of the Options (or both) will be adjusted in accordance with the ASX Listing Rules.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means ImExHS Limited ACN 096 687 839.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Forrest Capital has the meaning given in section 1.2.

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

Option means an option to acquire a Share.

Ordinary Securities has the meaning given in the ASX Listing Rules.

Placement has the meaning given in section 1.1.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolutions set out 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 a registered holder of a Share.

Subsidiary means a subsidiary of the Company from time to time.

Tranche 2 Shares has the meaning given in section 1.1(b).

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

Holder Number:

Vote by Proxy: IME

Your proxy voting instruction must be received by **10.00am (AEDT) on Sunday, 1 December 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>



Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
- Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
- Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



