

25th October 2018

Dear Fellow Shareholder,

I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM** or **meeting**) of Althea Group Holdings Limited ACN 626 966 943 (**Althea** or **Company**) which has been scheduled as follows:

Date Friday, 30 November 2018
Time 2.00pm (AEDT)
Location Norton Rose Fulbright Australia
Level 15, RACV Tower
485 Bourke Street, Melbourne, Victoria 3000

Please find enclosed a Notice of Meeting and Proxy Form for the AGM. The Notice of Meeting sets out the items of business for the meeting which also includes voting procedures, explanatory notes and the Board's voting recommendations. Please take the time to carefully read those documents in their entirety.

If you plan to attend the meeting, please bring the enclosed personalised Proxy Form with you as it will help you to register your attendance at the meeting. You can register from 1.30pm (AEDT) on the day of the meeting.

If you are unable to attend the meeting in person, you are encouraged to participate in the meeting by appointing a proxy to act on your behalf. If appointing a proxy, the enclosed Proxy Form should be completed and returned to the Company (see Proxy Form for details) as soon as possible and, in any event, no later than 2.00pm (AEDT) on Wednesday, 28 November 2018.

The Board encourages all Shareholders to direct their proxy how to vote on each item of business.

If you have any queries in relation to the AGM, please contact the company secretary, Mr Peter Gillis on +61 (0)3 8346 8500.

I look forward to seeing you at the AGM.

Yours sincerely,



Andrew Newbold
Chairman

Notice of 2018 Annual General Meeting



Althea Group Holdings Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting (**AGM** or **meeting**) of the Shareholders of Althea Group Holdings Limited ACN 626 966 943 (**Althea** or **Company**) will be held at the offices of Norton Rose Fulbright Australia, Level 15, 485 Bourke Street, Melbourne, Victoria 3000 on Friday, 30 November 2018 at 2.00pm (AEDT).

AGENDA

Item 1: Financial Report

To receive the financial statements, directors' report and auditor's report for the Company for the financial year ended 30 June 2018.

Note: There is no requirement for Shareholders to approve these reports or vote on this item of business.

Item 2: Election of Penelope Dobson as a Director (Resolution 1)

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

"Subject to Penelope Dobson satisfying the "fit and proper person test" requirements of the Office of Drug Control for her appointment as a director of the Company, that, in accordance with rule 71.1 of the Constitution of the Company and with the unanimous recommendation of the Board for the purposes of rule 70.1(2) of the Constitution, Penny Dobson is elected as a Director of the Company."

Item 3: Appointment of RSM Australia Partners as Auditor (Resolution 2)

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

"That RSM Australia Partners, having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as the auditor of the Company".

Item 4: Approval for additional 10% placement capacity (Resolution 3)

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

"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities, in number, equal to up to 10% of the number of Shares on issue in the Company (at the time of the issue) calculated in accordance with the formula in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions and in the manner detailed in the explanatory statement accompanying this Notice of Meeting."

Voting Exclusion: In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities (except a benefit solely by reason of being a holder of Shares) or any associate of such a person.

However, under the ASX Listing Rules, the Company need not disregard a vote on Resolution 3 if:

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

Please note that as at the date of this Notice of Meeting, no Shareholder is precluded from voting on Resolution 3.

Other Business

To consider any other business that may be lawfully brought forward.

Notice of 2018 Annual General Meeting



HOW TO VOTE

Attending the meeting in person

Shareholders may attend the meeting and vote in person.

If you intend to attend the meeting in person, you do not need to submit a Proxy Form.

You may still attend the meeting and vote in person even if you have appointed a proxy. You will be provided with a poll voting card on the day. If you have previously submitted a Proxy Form, your attendance will suspend your proxy appointment while you are present at the meeting.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Computershare Investor Services will need to verify your identity. You can register from 1.30pm (AEDT) on the day of the meeting.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the meeting in person.

To appoint a proxy, complete the Proxy Form. You can direct your proxy how to vote on Items 2 to 4 by marking "For", "Against" or "Abstain".

A proxy does not need to be a shareholder of Althea. A proxy may be an individual or a company. You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a percentage or number in both forms, each proxy may exercise half of the votes. You must return both Proxy Forms together. If you require an additional Proxy Form, please contact Computershare Investor Services on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

If you sign the enclosed Proxy Form and no direction is given, the Chairman will be appointed as your proxy. The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions.

If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote will be suspended while you are present.

IMPACT OF YOUR PROXY APPOINTMENT ON YOUR VOTING INSTRUCTIONS

If you appoint the Chairman as your proxy and do not direct him how to vote, you are authorising the Chairman to cast your undirected vote on all proposed resolutions.

Chairman's voting intentions

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions. If there is a change to how the Chairman intends to vote undirected proxies, Althea will make an announcement to the market. The Chairman's decision on the validity of a vote cast by a proxy or vote cast in person is conclusive.

SUBMITTING YOUR PROXY FORM

Your completed Proxy Form must be received by no later than 2:00pm (AEDT) on Wednesday, 28 November 2018. An original or a certified copy of any power of attorney under which the form was signed must also be received by this time unless previously provided to Computershare Investor Services.

You can lodge your vote:

- online at www.investorvote.com.au by following the instructions. You will need your Security holder Reference Number (SRN) or Holder Identification Number (HIN), which is set out on the enclosed Proxy Form.
- online at <http://www.intermediaryonline.com> (for intermediary online users online)
- By completing the enclosed Proxy Form and:
 - posting it to Computershare Investor Services using the reply paid envelope or to Computershare Limited GPO Box 242, Melbourne VIC 3001
 - faxing it to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
 - hand delivering it to Computershare Investor Services, at Computershare Limited at Yarra Falls, 452 Johnston Street Abbotsford VIC 3067

Notice of 2018 Annual General Meeting



- By using a mobile device by scanning the QR code on the Proxy Form. To scan the QR code you will need a QR code reader application that can be downloaded for free on your mobile device. You will also need your SRN or HIN and postcode for your shareholding.

DETERMINATION OF VOTING ENTITLEMENT

For the purpose of Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Company has determined, for the purpose of voting entitlements at the meeting, that Shares in Althea are taken to be held by those Shareholders registered at 7.00pm (AEDT) on Wednesday, 28 November 2018. Accordingly, only those persons will be entitled to attend and vote at the meeting.

By order of the Board

Mr Peter Gillis
Company Secretary
25th October 2018

QUESTIONS AND COMMENTS BY SHAREHOLDERS

A reasonable opportunity will be given to Shareholders as a whole at the AGM to ask questions about or make comments on the Company's Financial Report for the financial year ended 30 June 2018 and the management or performance of the Company and to ask the Auditor (or their representative) questions relevant to the conduct of the audit, the preparation and content of their Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its Annual Report and the Auditor's independence in relation to the conduct of the audit.

GLOSSARY

A glossary of terms used in this Notice of Meeting is contained in the explanatory statement. Terms defined in the glossary also apply to the accompanying Proxy Form, unless the context requires otherwise.

Notice of 2018 Annual General Meeting



EXPLANATORY STATEMENT

This explanatory statement has been prepared and is being provided to Shareholders in connection with the items of business to be considered at the 2018 Annual General Meeting of Shareholders to be held at the offices of Norton Rose Fulbright Australia, Level 15, 485 Bourke Street, Melbourne, Victoria 3000 on Friday, 30 November 2018 at 2.00pm (AEDT).

The purpose of this explanatory statement is to provide Shareholders with an explanation of the items of business and the Resolutions to be proposed and considered at the meeting.

Item 1: Financial Report

Background

The Corporations Act requires the Annual Financial Report of the Company (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report in respect of the financial year ended on 30 June 2018 to be laid before the AGM.

Consideration of Financial Report

The Company's Annual Financial Report in respect of the financial year ended on 30 June 2018 accompanies the Notice of Meeting and is also available online at the ASX's website at asx.com.au (ASX Code: AGH).

Neither the Corporations Act nor the Constitution requires Shareholders to approve the Annual Financial Report, the Directors' Report or the Auditor's Report. However, in accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on these reports and on the business, operations and management of the Company.

The Auditor, or a representative of the Auditor, is required to attend the meeting and will be available to take Shareholders' questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its Annual Financial Report and the Auditor's independence in relation to the conduct of the audit.

Remuneration Report

The Corporations Act requires the annual Directors' Report of a listed company to include a Remuneration Report discussing the board's policies for determining the nature and amount of remuneration paid to key management personnel.

Section 250R(2) of the Corporations Act then requires the Remuneration Report of the listed company for the relevant financial year to be laid before the AGM and a resolution that it be adopted put to shareholders for consideration. The outcome of the resolution is advisory only and does not bind the directors or the listed company.

Althea was admitted to the official list of ASX on 21 September 2018. At the time the Director's approved the Company's financial accounts for the financial year ended on 30 June 2018 and issued their annual Directors' Report, the Company was not listed. Consequently, the Company was not required to include a Remuneration Report in its annual Directors' Report for the financial year ended on 30 June 2018 which can be considered at the meeting.

Notice of 2018 Annual General Meeting



Item 2: Election of Penelope Dobson as a Director (Resolution 1)

Background

Rule 71.1 of the Constitution provides that the Company may elect a director by ordinary resolution.

It is proposed that, subject to Penelope Dobson satisfying the “fit proper and person test” requirements of the Office of Drug Control for her appointment as a director of the Company, Penelope Dobson be appointed as a new director of the Company.

All necessary information required for the Office of Drug Control to consider Penny Dobson’s compliance with the “fit proper and person test” has been submitted to the Office of Drug Control and the Company is confident that it will receive the outcome of the Office of Drug Control’s review shortly.

The Board unanimously recommends to Shareholders that Penelope Dobson be appointed as a director of the Company.

Penelope (Penny) Dobson

Penny Dobson, is an experienced global healthcare executive and Non-Executive Director. She has worked in the broad life-sciences space since her training as a pharmacist in New Zealand, including many years in the global pharmaceutical industry. Penny is currently principal at Validia Consulting offering a range of services to companies in the healthcare, Pharma, Biotech, Not for Profits and Device and Diagnostic sector.

Previously, Penny spent many years with Merck and Company Inc and its subsidiaries MSD and Banyu Pharmaceuticals in Australia, New Zealand, the US and Japan. She was Vice President of MSD in Japan and leader of the integration of the Schering Plough acquisition in Japan.

Her skills include organisational and operational management, governance, leadership of people and projects, market planning for early-stage launch and existing products, forecasting and modelling, managed care, and vaccines, and policy, pricing and public affairs, strategic planning and change management.

Penny has an MBA from Macquarie University Graduate School of Management and currently holds two Board positions, one with the Australian Nuclear Science and Technology Organisation (ANSTO), where she is Deputy Chair, and one for Invetus, an animal research start-up, where she also acts as Company Secretary.

Board Recommendation

The Board unanimously recommends that you **vote in favour** of Resolution 1.

Item 3: Appointment of RSM Australia Partners as Auditor (Resolution 2)

Background

The Company was incorporated in Victoria on 21 June 2018 as a public company and was admitted to the official list of the ASX on 21 September 2018. Since the Company’s incorporation, RSM Australia Partners has acted as auditor of the Company.

Section 327(B)(1)(a) of the Corporations Act provides that a public company must appoint an auditor at its first annual general meeting. Accordingly, item 2 of the Notice of Meeting seeks shareholder approval for the appointment of RSM Australia Partners as the auditor of the Company.

RSM Australia Partners has given, and has not withdrawn, its consent to act as auditor of the Company.

Notice of 2018 Annual General Meeting



In accordance with section 328B(1) of the Corporations Act, a notice in writing has been given to the Company by a shareholder nominating RSM Australia Partners as auditor. A copy of this notice is contained in Schedule 1 to this Notice of Meeting.

Board Recommendation

The Board unanimously recommends that you **vote in favour** of Resolution 2.

Item 4: Approval for additional 10% placement capacity (Resolution 3)

Background

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue, or agree to issue, Equity Securities up to 10% of its issued capital during the 12 month period after the entity's annual general meeting at which the approval is obtained (**Additional 10% Placement Capacity**).

The Company is seeking Shareholder approval under Resolution 3 to have the ability to issue Equity Securities under the Additional 10% Placement Facility.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the Additional 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (described below). The Equity Securities must be in the same class as an existing class of quoted Equity Securities of the Company. The Company currently has only one class of quoted Equity Securities on issue, being fully paid ordinary shares. Therefore, based on its current issued securities, only fully paid ordinary shares can be issued by the Company under ASX Listing Rule 7.1A.

Resolution 3 is proposed as a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and entitled to vote at the meeting must be in favour of Resolution 3 for it to be passed.

Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 3 in the Notice of Meeting. As at the date of the Notice of Meeting, the Company has not approached any particular existing Shareholder or any associate of a Shareholder to participate in an issue of Equity Securities under the Additional 10% Placement Capacity. Accordingly, no Shareholder is precluded from voting on Resolution 3.

ASX Listing Rule 7.1A – eligibility criteria

The Company will be an Eligible Entity for the purposes of ASX Listing Rule 7.1A provided it has a market capitalisation no greater than \$300 million (excluding restricted securities and securities quoted on a deferred settlement basis) and is not included in the S&P/ASX 300 Index as at the date of the relevant special resolution under ASX Listing Rule 7.1A.

As at the date of the Notice of Meeting, the Company is an Eligible Entity. Accordingly, your Directors believe that Althea will be an Eligible Entity at the date of the AGM.

If Shareholders approve Resolution 3, the maximum number of Equity Securities that the Company may issue under the Additional 10% Placement Capacity will be calculated according to the following formula (set out in ASX Listing Rule 7.1A.2) (**ASX Listing Rule 7.1A.2 Formula**):

Notice of 2018 Annual General Meeting



$$(A \times D) - E$$

Where:

- A** = The number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:
- *plus* the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
 - *plus* the number of partly paid ordinary shares that became fully paid in the 12 months;
 - *plus* the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under ASX Listing Rule 7.1 or ASX Listing Rule 7.4; and
 - *less* the number of fully paid ordinary shares cancelled in the 12 months.

Note that "A" has the same meaning in ASX Listing Rule 7.1 (described above) when calculating Althea's usual annual 15% placement capacity under that ASX Listing Rule.

D = 10%

E = The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are *not* issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

If Althea obtains the approval of its Shareholders to the Additional 10% Placement Capacity:

- any Shares issued under that Additional 10% Placement Capacity will not be counted in variable "A" above until their issue has been ratified under ASX Listing Rule 7.4 (described above) or 12 months has passed since their issue; and
- any Shares issued under that Additional 10% Placement Capacity are counted in variable "E" above until their issue has been ratified under ASX Listing Rule 7.4 (described above) or 12 months has passed since their issue.

Placement capacity under ASX Listing Rules 7.1 and 7.1A

Subject to a number of exceptions, in general terms, ASX Listing Rule 7.1 limits the number of Equity Securities that a listed entity such as Althea may issue or agree to issue without Shareholder approval in any 12 month period to 15% of its issued ordinary shares. The Additional 10% Placement Capacity is in addition to the Company's usual annual 15% placement capacity under ASX Listing Rule 7.1.

As at the date of the Notice of Meeting, the Company has 203,310,000 Shares on issue and, accordingly, it will have capacity to issue 20,331,000 Shares under ASX Listing Rule 7.1A without the prior approval of its Shareholders if Shareholders approving Resolution 4. This capacity to issue additional shares will be in addition to any other Shares and other Equity Securities which it can issue under the permitted exceptions to ASX Listing Rules 7.1 and 7.1A.

The actual number of Shares that the Company will have capacity to issue or agree to issue under ASX Listing Rule 7.1A or ASX Listing Rule 7.1 at any particular point in time will be calculated at the relevant time in accordance with the ASX Listing Rule 7.1A.2 Formula (outlined above) or the formula applicable to ASX Listing Rule 7.1 (as the case may be).

Notice of 2018 Annual General Meeting



Period of approval

Shareholder approval of the Additional 10% Placement Capacity is valid from (and, therefore, Equity Securities may be issued under the Additional 10% Placement Capacity from) the date of the meeting until the first to occur of the following:

- (1) the date that is 12 months after the date of the meeting; and
- (2) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (*Proposed change to nature or scale of activities*) or ASX Listing Rule 11.2 (*Change involving main undertaking*),

(the **Period of Approval**).

Upon the expiry of the Period of Approval, the Company's placement capacity will be governed by ASX Listing Rule 7.1 (and ASX Listing Rule 10.11, in the case of placements to related parties) unless the Company has obtained a further approval under ASX Listing Rule 7.1A.1 before the end of the Period of Approval.

Any approval under Resolution 3 will cease to be valid if Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2 referred to above.

Minimum issue price

Under ASX Listing Rule 7.1A.3, the minimum price at which each Equity Security may be issued under the Additional 10% Placement Capacity is 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or
- (2) if the securities are not issued within 5 trading days of that date, the date on which the securities are issued.

If Althea issues any Equity Securities under ASX Listing Rule 7.1A for non-cash consideration, it must provide to ASX for release to the market a valuation of the non-cash consideration that demonstrates that the issue price of those Equity Securities complies with the minimum issue price outlined above.

Purpose and allocation

As at the date of the Notice of Meeting, the Company does not have any specific intention to use the Additional 10% Placement Capacity nor has it invited any Shareholder to participate, or consider participating, in an issue of Equity Securities under the Additional 10% Placement Capacity.

The Company is seeking approval to take advantage of the ASX's recognition that flexibility is sometimes required if action needs to be taken swiftly. The Additional 10% Placement Capacity may be used to raise funds to support the Company's ongoing business and general working capital purposes or for the acquisition of assets or investment in business opportunities which may arise from time to time.

Ultimately, if Resolution 3 is approved, the Company's allocation policy for issues of Equity Securities under the Additional 10% Placement Capacity will depend on various considerations including the purpose of the proposed issue, the alternative methods for raising funds which are available to the Company at the time, the effect of the proposed issue on the control of the Company, the circumstances of the Company including its financial position, the prevailing market conditions at the time of the proposed issue and any advice received from corporate, financial or other advisers (as applicable).

The identity of the placees will be determined on a case-by-case basis at or around the time of issue. However, the placees of any Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. Placees may also include vendors of assets or businesses into the Company or its subsidiaries. It is unlikely that such a placee will be a person to whom the Company is required to issue a prospectus or other disclosure document under the Corporations Act.

Notice of 2018 Annual General Meeting



The Company may issue Equity Securities under the Additional 10% Placement Capacity for cash consideration or as non-cash consideration. If the Company issues any Equity Securities under the Additional 10% Placement Capacity for non-cash consideration (for example, where the Company acquires assets from a vendor or makes an investment in a business), it must provide to ASX for release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with the minimum issue price under ASX Listing Rule 7.1A.3 (outlined above).

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities under the Additional 10% Placement Capacity.

Risk of economic and voting dilution

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

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity, the economic and voting dilution of existing Shareholders through the Company using the Additional 10% Placement Capacity is as illustrated in the table below.

The table below has been prepared based on the number of quoted Equity Securities (i.e. fully paid ordinary shares) on issue in the Company as at the date of the Notice of Meeting and the closing price of those securities as at close of trade on ASX on 19th October 2018.

The table below also shows the voting dilutionary impact where the number of Shares on issue (variable A in the ASX Listing Rule 7.1A.2 Formula) changes and the economic dilutionary impact where there are changes to the issue price of Shares issued under the Additional 10% Placement Capacity.

Number of Shares on Issue <i>(variable "A" in Listing Rule 7.1A.2)*</i>	Dilution			
	Dilution based on number of Shares issued <i>(being 10% of the number of Shares at the time of issue)</i>	Funds raised based on an issue price of \$0.2475 <i>(50% decrease in current issue price)</i>	Funds raised based on an issue price of \$0.495 <i>(Current issue price)</i>	Funds raised based on an issue price of \$0.7425 <i>(50% increase in current issue price)</i>
203,310,000 <i>(Current)</i>	20,331,000	\$5,031,923	\$10,063,845	\$15,095,768
304,965,000 <i>(50% increase)</i>	30,496,500	\$7,547,884	\$15,095,768	\$22,643,651
406,620,000 <i>(100% increase)</i>	40,662,000	\$10,063,845	\$20,127,690	\$30,191,535

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or securities issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Notice of 2018 Annual General Meeting



The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at the date of the Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on ASX 19th October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the date of the AGM other than issues under an exception in ASX Listing Rule 7.2 or with Shareholder approval under ASX Listing Rule 7.1 or 7.4.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to issues under ASX Listing Rule 7.1 or exceptions to that ASX Listing Rule.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. Based on its current issued securities, only Shares can be issued by Althea under the Additional 10% Placement Capacity.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the meeting; and
- (2) the Company's Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Notice of 2018 Annual General Meeting



GLOSSARY

In the Notice of Meeting and accompanying Proxy Form, the following terms have the following meanings, unless the context requires otherwise:

AGM or meeting means the Annual General Meeting of the Shareholders of the Company to be held on Friday, 30 November 2018 at 2.00pm (AEDT) convened by way of the Notice of Meeting.

Althea or Company means Althea Group Holdings Limited ACN 626 966 943.

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

ASX Listing Rules means the listing rules of ASX (as amended or waived from time to time).

Board means the board of directors of the Company.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Eligible Entity means an entity that, at the date of the relevant special resolution:

- (1) is not included in the S&P/ASX 300 Index; and
- (2) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300,000,000.

Equity Securities has the meaning given in the ASX Listing Rules and includes a share, an option over an issued or unissued security, a right to a share or option, a convertible security and any security that ASX decides to classify as an Equity Security.

Notice of Meeting means the Notice of Annual General Meeting of the Shareholders of the Company dated 25th October 2018.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolution means a resolution referred to in the Notice of Meeting.

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

Shareholder means a person or entity entered in the Company's register of members from time to time as the holder of Shares.

VWAP means the volume weighted average market price (as defined in the ASX Listing Rules) for Shares.

Schedule 1 – Notice of Nomination of Auditor

18th October 2018

Attention: The Directors

Althea Group Holdings Limited
c/o Curtain & Co Services Pty Ltd
Level 3, 369 Royal Parade
Parkville VIC 3052

Dear Directors

Notice of nomination of auditor

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth), I, Joshua Fegan being a member of Althea Group Holdings Limited ACN 626 966 943 (**Company**), nominate RSM Australia Partners for appointment as the Company's auditor at the Annual General Meeting of the Company to be held on 30 November 2018 (or any adjournment of that meeting).

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

Joshua Fegan



Althea Group Holdings Limited
ACN 626 966 943
30 Dove Street, Cremorne
3121, Victoria, Australia
P. 1300 70 20 20

18th October 2018

Attention: Peter Sexton

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne VIC 3000

Dear Peter,

In accordance with section 328B(3) of the *Corporations Act 2001*, we enclose a copy of a notice received by Althea Group Holdings Limited ACN 626 966 943 (**Company**) nominating you for appointment as auditor of the Company.

Yours faithfully


A handwritten signature in black ink, appearing to read "Peter Gillis".

Peter Gillis
Company Secretary

Encl

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

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Proxy Form

XX



Vote and view the annual report online

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



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 2.00pm (AEDT) on Wednesday, 28 November 2018**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Althea Group Holdings 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 Althea Group Holdings Limited to be held at the offices of Norton Rose Fulbright Australia, Level 15, 485 Bourke Street, Melbourne, Victoria 3000 on Friday, 30 November 2018 at 2.00pm (AEDT) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Election of Penelope Dobson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Appointment of RSM Australia Partners as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

AGH

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Computershare +