

# Ellex Medical Lasers Limited

Chairman's script for the AGM to be held on 28 November 2017 at 2:00 pm.

## 1. Welcome

Chairman: Good afternoon ladies and gentlemen. I am Alex Sundich, a Non-Executive Director and Deputy Chairman of Ellex Medical Lasers Limited and I will be Chairing our meeting today. It is now 2:00 pm. I welcome you to the Annual General Meeting of the company.

I ask anyone with a mobile phone to make sure that it is turned off for the duration of the meeting.

## 2. Quorum

Chairman: I advise that in accordance with the company's Constitution, a quorum is present, I now declare the Annual General Meeting open.

## 3. Directors

Chairman: In addition to myself, we have four other directors of the company with us this afternoon:

- Mr Victor Previn, Chairman
- Mr Giuseppe Canala
- Mr Rahmon Coupe
- Dr Meera Verma

Our Company Secretary, Maria Maieli will not be joining us due to unforeseen circumstances. However, we have Group CEO, Mr Tom Spurling with us today and we will be hearing from Tom shortly about the Core Laser & Ultrasound and iTrack business and the exciting times ahead.

## 4. Auditors

Chairman: Ms Sheenagh Edwards of Grant Thornton, the company's auditor, is also present.

Our good friends at the Shareholders Association are also here, represented by Bob Richie and George Crowe.

Computershare Investor Services, our share registry, is represented by Mr Nigel Bulling.

## **5. Voting**

Chairman: When you registered for today's meeting you should have been given either a blue, pink or white attendee card. If you have not received this card then please go to the registration desk outside this meeting room. Only those holding blue voting cards are entitled to vote on a show of hands, so when I ask you to vote please raise the blue voting card, and only the blue voting card, so that your vote can be recorded.

On a show of hands by raising the blue voting card, each member, proxy holder or representative is entitled to one vote only. On a poll, each shareholder, whether voting in person, by proxy or by representative, is entitled to one vote for every share held by that member. The blue voting card will also be used as the voting paper on a poll.

Where a proxy vote has been given to the chairman without voting instructions, I intend to vote in favour of each resolution.

## **6. Proxy Votes**

Chairman: Valid proxy votes received for the meeting total 44,420,921 equal to approximately 33.86% of the ordinary voting shares on issue.

After discussion of each resolution and prior to putting the resolution to a vote, the proxy votes will be advised for each resolution.

## 7. Notice of Meeting

Chairman: The notice of meeting was dispatched to all shareholders on 27<sup>th</sup> October 2017 in accordance with the Corporations Act. If there is no objection, I propose that the notice of meeting be taken as read.

The minutes of the previous Annual General Meeting of members of the company held on 23<sup>rd</sup> November 2016 were approved by the board and signed by me in accordance with the provisions of section 251A of the Corporations Act. Copies of the minutes are available for inspection should any member wish to see them.

## 8. Procedure for the meeting

Chairman: The **first item** of ordinary business is the tabling of the financial reports and the director's and auditor's report.

There is no formal requirement to adopt these reports under the Corporations Act. However, I will invite discussion.

I will then ask Tom to address you in order to provide you with an update on the current operations and the all-important outlook for Ellex.

Shareholders will then have the opportunity to comment and ask questions.

The **second item** of business is the re-election of a director. Under the Corporations Act and the company's constitution, certain directors must retire at the AGM and may offer themselves for election or re-election.

The **third item** of business is a Corporations Act requirement to consider a non-binding or advisory resolution on the adoption of the remuneration report, which is set out in the director's report of the Company's 2017 Annual Report.

The **fourth item** of business is the Ratification of prior share issue Placement which has already taken place on 1 December 2016. If shareholders approve this resolution the shares issued pursuant to the placement will not be taken

into account in calculating whether the 15% threshold is exceeded by issues in the twelve months following approval.

The **fifth item** of business is a Special Resolution 10% Placement Capacity. If Shareholders approve this resolution it will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The **sixth item** of business is to increase the Directors' Fee Cap. If shareholders approve this resolution it will allow to increase the fee cap that was approved by shareholders at the 2001 AGM from \$200,000 per annum to a fee cap of \$500,000 per annum.

## 9. Financial reports

Chairman: Under the Corporations Act, the company is obliged to lay before this meeting the last audited financial statements and reports, which were contained in the Company's Annual report for the year ended 30 June 2017. The Company's Annual Report was lodged with the ASX on the 27<sup>th</sup> October and sent with the notice of meeting to those shareholders who requested a hard copy. A copy of the Company's 2017 Annual Report is available for download from the company's website.

I will now ask the group CEO Tom Spurling to address you.

(CEO's Address)

Tom will introduce Meera as the Executive Director

(Meera to make an introduction of her role)

Invite any questions by the floor.

Chairman: No resolution is required in respect of the 2017 financial statements and director's report, but I now invite shareholders to comment or ask questions on the reports or the business of the company.

Questions may also be asked of the auditors in relation to the conduct of the audit, content of the audit report, accounting policies adopted by the company and the independence of the auditor in carrying out the audit.

Could you please address all questions to the chair.

When I direct, please state your name before speaking and hold up your Blue or Pink attendee card so that I can see that I can confirm your entitlement to speak to the meeting.

Are there any comments or questions?

As there are no [further] questions, we will now move to the second item of business.

## **10. Re-election of director**

Chairman: We will now move to Resolution 2 on the agenda, the re-election of director.

As stated in the notice, Meera Verma retires by rotation at the AGM and is eligible for re-election.

Meera's details are set out in the director's report in the annual report, so I will not repeat those details.

### *Resolution 2*

I have pleasure in moving the motion.

To consider and if thought fit, pass the following ordinary resolution.

To re-elect Dr Meera Verma as a director, Meera Verma retires by rotation in accordance with the company's constitution, and being eligible, offers herself for re-election.

The Board (excluding Meera Verma because of her interest) unanimously recommends that shareholders vote in favour of this resolution.

Are there any questions or comments in relation to this resolution?

Before I put the motion, please refer to the handout for the proxy votes of this resolution.

I intend to vote undirected proxy votes available to the chairman of the meeting in favour of this resolution.

I'll now put the motion to a vote on a show of hands.

All those in favour, please raise your blue voting card.

All those against please raise your blue voting card.

I declare the motion [carried/lost].

[If carried] .....Congratulations Meera.

[IF NOT CARRIED/RESULT UNCLEAR] The motion was unclear/lost on a show of hands and I now demand a poll. This resolution will be held over until the conclusion of the final item of business to allow the poll to be conducted.

## **11. Resolution 3 - Remuneration Report**

Chairman: Under the Corporations Act, listed companies are now required to include as part of their directors' report a remuneration report, which includes specified information.

The directors have prepared a Remuneration Report to 30 June 2017 and it is included on pages 27 to 30 in the Company's 2017 annual report.

The Corporations Act also requires companies to put to shareholders a non-binding vote to enable shareholders to voice their opinion on matters included in the report.

After the motion has been moved there will be time for comments and questions.

I now move the motion:

To consider and if thought fit, pass the following ordinary resolution.

To adopt the remuneration report as set out in the Director's Report which forms part of the Annual Report for the year ended 30 June 2017.

Are there any questions or comments in relation to this resolution?

Before I put the motion, please refer to the handout for the proxy votes of this resolution.

The Company has disregarded any votes cast by any Key Management Personnel of the Company and any closely related party on this Resolution as set out in the notice of meeting.

I intend to vote undirected proxy votes available to the chairman of the meeting in favour of this resolution.

- If "against" vote <25% then next year's AGM will proceed as normal
- However, If the "against" vote > 25% Ellex will have received a "first strike" and at next year's AGM if this happens again it will result in a "second strike" which will result in a spill meeting motion being voted on for the re-election of the Board of directors

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

I'll now put the motion to a vote on a show of hands.

All those in favour, please raise your blue voting card.

All those against please raise your blue voting card.

I declare the motion [carried/lost].

[IF NOT CARRIED/RESULT UNCLEAR] The motion was unclear/lost on a show of hands and I now demand a poll.

**12. Resolution 4 – Ratification of prior share issue placement for purpose of Listing Rule 7.4: reset of 15% threshold.**

Chairman: On 1 December 2016 the Company announced that it would issue 7.0 million fully paid ordinary shares to raise \$10.3 million to sophisticated investors to support a range of initiatives.

Under Listing Rule 7.1 a listed company may not issue shares if the aggregated shares issued, over the previous 12 months and not subject to an exception to Listing Rule 7.1, exceed 15% of the issued capital of the company. The placement of the shares did not result in the issue of more than 15% of the issued capital of the Company, but the Board considers it prudent to have the flexibility to issue further shares over the next 12 months.

I now move the motion:

To consider and if thought fit, pass the following ordinary resolution.

That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the allotment and issue of 7,000,00 shares on the terms described in the Explanatory Memorandum accompanying this Notice.

Chairman: Before I put the motion, are there any questions or comments in relation to this resolution? Please refer to the handout for the proxy votes for this resolution.

The Company will disregard any votes cast on Resolution 4 by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote cast on Resolution 4 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

I intend to vote undirected proxy votes available to the chairman of the meeting in favour of this resolution.

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

I'll now put the motion to a vote on a show of hands.

All those in favour, please raise your blue voting card.

All those against please raise your blue voting card.

I declare the motion [carried/lost].

[IF NOT CARRIED/RESULT UNCLEAR] The motion was unclear/lost on a show of hands and I now demand a poll. This resolution will be held over until the conclusion of the final item of business to allow the poll to be conducted.

### **13. Resolution 5 – Approval of 10% Placement Capacity**

Chairman: Under Listing Rule 7.1A enables an Eligible Entity to seek member approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity.

I now move the motion:

To consider and if thought fit, pass the following special resolution.

That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.

Are there any questions or comments in relation to this resolution?

Please refer to the handout for the proxy votes of this resolution.

This is a special resolution which requires a 75% majority in favour of the resolution in order to pass. Therefore, I exercise my right as Chairman of the meeting to demand a poll to provide certainty in determining the result for this resolution. The poll will be conducted at the end of the business for the meeting.

In accordance with ASX Listing Rules, the Company will disregard any votes cast on Resolution 5 by any person who may participate in the issue of Equity Securities under Resolution 5 and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if Resolution 5 is passed, and any associates of that person.

Chairman: However, the Company need not disregard a vote cast on Resolution 5 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction of the proxy form to vote as the proxy decides.

#### **14. Resolution 6 – Approval of Increase in Directors’ Fee Cap**

Chairman: For the purposes of ASX Listing Rule 10.17, regulation 128 of the Company’s Constitution, and for all other purposes, the company seeks shareholder approval to increase the directors’ fee cap to \$500,000 per annum. In accordance with ASX Listing Rule 10.17, the fee cap includes superannuation contributions made by the Company, but does not include reimbursement of genuine out-of-pocket expenses incurred by Directors in the performance of their duties.

I now move the motion:

To consider and if thought fit, pass the following ordinary resolution.

That for the purpose of ASX Listing Rule 10.11 or 10.14 and for all other purposes, shareholders ratify the increase on the terms described in the Explanatory Memorandum accompanying this Notice.

Chairman: Before I put the motion, are there any questions or comments in relation to this resolution?

Please refer to the handout for the proxy votes of this resolution.

The Company will disregard any votes on Resolution 6 if it is cast by:

- a Director of the Company or an associate of a Director of the Company; or
- a person appointed as a proxy, where that appointed person is a member of the Company's Key Management Personnel or a Closely Related Party of any such member.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, and the appointment of the Chair does not specify the way in which the Chair is to vote and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

I intend to vote undirected proxy votes available to the chairman of the meeting in favour of this resolution.

As the Directors are precluded from voting on this item of business, they make no recommendation as to how shareholders should vote on this resolution.

I'll now put the motion to a vote on a show of hands.

All those in favour, please raise your blue voting card.

All those against please raise your blue voting card.

I declare the motion [carried/lost].

[IF NOT CARRIED/RESULT UNCLEAR] The motion was unclear/lost on a show of hands and I now demand a poll.

Go to poll script below.

## **15. LFR Presentation**

Before we conclude the meeting today I will invite Tom to present some clinical footage of the Laser Floater Removal procedure, as performed with the Company's proprietary LFR laser by Dr Paul Singh.

## **16. Closure**

Chairman: That ends the meeting which I now declare closed.

Thank you all for your attendance and interest and we look forward to your continued support in the coming year.

Please join us for light refreshments.

**IF A RESOLUTION IS NOT CARRIED/RESULT IS UNCLEAR**

**POLL SCRIPT**

We will now conduct the poll on the resolution/s number/ed 5\_\_\_\_\_

I appoint Nigel Bulling of Computershare Investor Services Pty Limited to be Returning Officer and to conduct the poll. Mr Bulling has power to co-opt as his agents, members of his staff and staff of the company.

**Nigel Bulling**

Firstly, if there is any person present who believes they are entitled to vote but has not registered to vote, would you please raise your hand for assistance.

The persons entitled to vote on this poll are all shareholders, representatives and attorneys of shareholders, and proxyholders who hold BLUE admission cards.

On the reverse of your BLUE admission card is your voting paper and instructions.

I will now go through the procedures for filling in the voting papers.

Proxyholders have attached to their admission card a Summary of Proxy Votes which details the voting instructions, for business items on the appointment documents in your favour. By completing the voting paper, when instructed to vote in a particular manner, you are deemed to have voted in accordance with those instructions.

In respect of any open votes a proxyholder may be entitled to cast, you need to mark a box beside the resolution to indicate how you wish to cast your open votes.

Proxyholders should refer to the Summary of Proxy Votes form attached to your voting paper for further information.

Shareholders also need to mark a box beside the resolution to indicate how you wish to cast your votes.

Please ensure you print your name where indicated and sign the voting paper. When you have finished filling in your voting paper, please lodge it in a ballot box, which will be circulated, to ensure your votes are counted.

If you require any assistance, please raise your hand (pause whilst voting papers are completed)

Would you please indicate by raising your hand if you require more time to complete and lodge your voting paper. (Read out again if necessary)

#### **CHAIRMAN**

(When no-one has indicated they require more time to complete their voting papers, Chair to close the poll.)

Have all votes been cast? **[PAUSE]**

I now declare the poll closed and formally charge Nigel Bulling as Returning Officer to count the votes.

After the votes have been counted, the results of the poll will be released to the ASX and will be displayed on the company's website.

Go to **[CLOSURE]/LFR presentation**