



O P E N D N A

ABN 14 6134 103 98

**Notice of Annual General Meeting
and
Explanatory Memorandum**

Date of Meeting
Thursday 30 November 2017

Time of Meeting
10.00am (WST)

Place of Meeting

**Offices of HLB Mann Judd
130 Stirling Street
Perth Western Australia**

This is an important document. Please read it carefully and in its entirety. If you do not understand it please consult with your professional advisers.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE, VISIT: <http://www.opendna.ai>

Notice of Annual General Meeting

OpenDNA Limited
ABN 14 613 410 398

The Annual General Meeting (**AGM**) of OpenDNA Limited (**Company**) will be held at the offices of **HLB Mann Judd, 130 Stirling Street, Perth, Western Australia**, on **Thursday 30 November 2017 at 10.00am (WST)**.

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

The Explanatory Memorandum which accompanies and forms part of this Notice describes the matters to be considered at the AGM.

AGENDA

1. Financial reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of OpenDNA Limited for the financial year ended 30 June 2017, which are contained within the Annual Report.

Note: This item of business is for discussion only and is not a Resolution.

2. Resolution 1 – Adoption of the Remuneration Report (non-binding resolution)

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

'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company (which is contained in the Directors' Report in the Annual Report) for the financial year ended 30 June 2017 be adopted.'

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

The Company will disregard any votes cast on this Resolution by or on behalf of any member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such a member, unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

3. Resolution 2 – Re-election of Mr Evan Cross as a Director

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

'That, in accordance with clause 11.3 of the Constitution and for all other purposes, Mr Evan Cross, a Director, who retires by rotation, and being eligible for re-election as a Director, is so re-elected.'

4. Resolution 3 – Re-election of Mr Lonnie Sciambi as a Director

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

'That, in accordance with clause 11.10 of the Constitution and for all other purposes, Mr Lonnie Sciambi, a Director, retires and, being eligible for re-election as a Director, is so re-elected.'

5. Resolution 4 – Ratification of grant of Options to Mr Jason Loia

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

"That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the grant of 3,000,000 Options to Mr Jason Loia, the details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Jason Loia and any of his associates. However, the Company need not disregard a vote if it is cast by that person as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form, or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

6. Resolution 5 – Ratification of grant of Performance Shares to Mr Richard Jarvis

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

'That, in accordance with Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the grant of 1,750,000 Performance Shares to Mr Richard Jarvis (or his nominee), the details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Richard Jarvis and any of his associates. However, the Company need not disregard a vote if it is cast by that person as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form, or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

7. Resolution 6 – Ratification of grant of Performance Shares to Mr Jason Loia

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

'That, in accordance with Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the grant of 1,750,000 Performance Shares to Mr Jason Loia (or his nominee), the details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Mr Jason Loia and any of his associates. However, the Company need not disregard a vote if it is cast by that person as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form, or by the Chair as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

8. Resolution 7 – Approval of Additional 10% Placement Facility

To consider, and if thought fit, to pass the following 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 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% placement facility to which this Resolution relates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any of their Associates. However, the Company will not disregard a vote 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 if it is cast by the Chair 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.

Important note

The proposed allottees of any Equity Securities under this 10% placement facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% placement facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any proxy form received after 10am (WST) on 28 November 2017 will not be valid for the AGM.

8. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

9. Questions from Shareholders

The Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Mr Lucio Di Giallonardo, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2017 (or his representative), will attend the AGM. The Chair will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 10am (WST) on 23 November 2017.

By Post: Unit B9, 1st Floor 431 Roberts Rd Subiaco WA 6008

By Facsimile (inside Australia): (08) 9287 4655

By Facsimile (outside Australia): +61 8 9287 4655

In person: Unit B9, 1st Floor 431 Roberts Rd Subiaco WA 6008

As required under section 250PA of the Corporations Act, at the AGM, the Company will make available those questions directed to the auditor received in writing at least 5 business days prior to the AGM, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Financial Report for the year ended 30 June 2017. The Chair will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

10. Annual Report

The Company advises a copy of its Annual Report for the year ended 30 June 2017 is available to download at the website address, <http://www.opendna.ai>.

When you access the Company's Annual Report online, you can view it and print a copy. The Company will not provide a hard copy of the Company's Annual Report unless specifically requested to do so.

Please note if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or sometime in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

11. Enquiries

Shareholders are invited to contact the Company Secretary, Mr Peter Torre on +61 (0) 419 914 629 if they have any queries on the matters set out in these documents.

By order of the Board

Date 20 October 2017

Signed

A handwritten signature in black ink, appearing to be 'Peter Torre', written over a horizontal line.

Name Peter Torre
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the AGM of the Company to be held on Thursday, 30 November 2017.

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

1. Financial Reports

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to item 10 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, HLB Mann Judd, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 – Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2017 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements of Key Management Personnel, including the Managing Director, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report (pages 8 to 13), and can be found in the annual report section of the website at <http://www.opendna.ai>.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chair will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors of the Company. However, under the Corporations Act if there are two consecutive votes at annual general meetings of the Company against the Company's remuneration report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive annual general meeting at which a Strike occurs (**Second Strike**), a resolution must be put to Shareholders to hold another meeting where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by Key Management Personnel (or their Associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chair to vote Shareholders' undirected proxy votes. In this regard, you should specifically note that if you appoint the Chair as your proxy and you indicate on the Proxy Form you do not wish to specify how the Chair should vote on Resolution 1, the Chair will cast your votes in favour of Resolution 1. **If you wish to appoint the Chair as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.**

3. Resolutions 2 – Re-election of Mr Evan Cross as a Director

Clause 11.3 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. Clause 11.4 provides that a retiring Director is eligible for re-election.

Mr Cross retires in accordance with clause 11.3 of the Constitution and, being eligible, offers himself for re-election pursuant to clause 11.4.

Mr Cross has been a member of the Institute of Chartered Accountants Australian and New Zealand for over thirty years, and is a Fellow of the Australian Institute of Company Directors. Mr Cross has extensive corporate finance experience in investment banking, both in Australia and the United States, and has held key finance and executive director roles in a number of private and ASX-listed companies across a wide range of industries including technology, healthcare, mining and food and beverage. Mr Cross is currently a Non-Executive Director of ASX-listed Activistic Limited and Executive Director-Finance for MyFiziq Limited. He has in the past 3 years also served as a Non-Executive Director of Sun Biomedical Limited and as a Non-Executive Chairman of ISS Group Limited.

The Board (with the exception of Mr Cross) recommends Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-election of Mr Lonnie Sciambi as a Director

Clause 11.10 of the Constitution provides that the Directors of the Company may appoint any person to be a Director to fill a casual vacancy. Clause 11.11 provides that any Director appointed under Clause 11.10 holds office until the next annual general meeting of the Company and is then eligible for re-election.

On 9 August 2016 The Directors of the Company appointed Mr Sciambi as a Director to fill a casual vacancy in accordance with Clause 11.10. Pursuant to Clause 11.11 of the Constitution, Mr Sciambi retires and, being eligible, has offered himself for re-election.

Mr Sciambi's career has focussed upon technology-based businesses, as an entrepreneur, turnaround specialist, investment banker, advisor and investor. He has founded and sold two of his own companies, and has advised more than a hundred companies at various stages of their growth. His experience includes the successful turnaround of eight companies in disparate markets. He also been involved in raising more than \$350 million in capital, as an investment banker and senior executive, and had primary responsibility for forty merger and acquisition transactions. He was managing director and CEO of Hamilton Capital Group, LLC, an investment banking firm, and also managing director of LBC Capital Resources, Inc., a boutique investment banking firm. Mr Sciambi is currently the managing director and CEO of Small Business Force, LLC, a US company through which he advises and mentors entrepreneurs and small business owners, internationally. He is the author of three books, including best-seller, "Secrets to Entrepreneurial Success" and is a frequent speaker on all areas of entrepreneurship, from start-up through exit. He holds a Bachelor of Science degree in Electrical Engineering from Drexel University.

The Board (with the exception of Mr Sciambi) recommends Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Ratification of grant of Options to Mr Jason Loia

On 8 September 2017, the Company granted 3,000,000 Options to Mr Jason Loia. The principal terms of the grant of the Options are as follows:

- (a) 750,000 Options vest on 1 January 2018 and expire on 30 June 2020, and are exercisable at \$0.30,
- (b) 750,000 Options vest on 1 January 2018 and expire on 30 June 2021, and are exercisable at \$0.30;
- (c) 750,000 Options vest on 30 June 2019 and expire on 30 June 2022, and are exercisable at \$0.35; and
- (d) 750,000 Options vest on 30 June 2020 and expire on 30 June 2023, and are exercisable at \$0.40.

Mr Jason Loia is the Chief Operating Officer of the Company. Recommendation 8.3 of ASX's Corporate Governance Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short term and long term performance objectives. In the Board's view, the grant of Options to Mr Loia was an appropriate means of providing these long term performance objectives. The Board also considers that the retention of high quality and well credentialed executives, like Mr Loia, is essential to the ongoing development and success of the Company and its projects.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period. Listing Rule 7.4 sets out the procedure and effect of shareholder approval of a prior issue of securities and provides that where shareholders in a general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

The Company confirms the grant of Options to Mr Jason Loia the subject of Resolutions 4 did not breach Listing Rule 7.1.

The Company wishes to ratify the grant of the Options the subject of Resolutions 4 pursuant to Listing Rule 7.4, in order to restore its ability to issue securities under Listing Rule 7.1 to the extent of the number of Options the subject of the ratification. Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to obtaining approval of Resolution 4 for the purposes of Listing Rule 7.4:

- (a) 3,000,000 Options have been granted to Mr Jason Loia;
- (b) the Options were issued for nil cash consideration;
- (c) a summary of the terms of the Options is provided at Annexure A to this Explanatory Memorandum;
- (d) the Options have been issued as an incentive and reward to Mr Jason Loia for his future contribution to the Company; and
- (e) no funds were raised from the issue of the Options.

A voting exclusion applies to Resolution 4 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

The Board recommends Shareholders vote in favour of Resolution 4.

6. Resolutions 5 and 6 – Ratification of grant of Performance Shares to Mr Richard Jarvis and Mr Jason Loia

6.1 Background

On 8 September 2017, the Company granted 1,750,000 Performance Shares to Mr Richard Jarvis and 1,750,000 Performance Shares to Mr Jason Loia (or their respective nominees) as set out in the following table:

Mr Richard Jarvis		
Class of Performance Shares	Number of Performance Shares	Date of expiry
Class A	600,000	8 September 2022
Class B	600,000	8 September 2022
Class C	550,000	8 September 2022
Mr Jason Loia		
Class A	600,000	8 September 2022
Class B	600,000	8 September 2022
Class C	550,000	8 September 2022

The Company granted the Performance Shares to Mr Richard Jarvis and Mr Jason Loia (or their respective nominees) by way of long-term incentivisation. Mr Jarvis is the Chief Financial Officer and Mr Loia is the Chief Operating Officer of the Company. The Board considers the grant of the Performance Shares to Mr Jarvis and Mr Loia reflects their level of commitment and time to be provided to the Company in assisting it to achieve certain specified performance objectives. The grant of the Performance Shares also reflects the value the Board believes Mr Jarvis and Mr Loia bring to the Company.

The grant of Performance Shares to Mr Richard Jarvis and Mr Jason Loia is intended to:

- (a) provide an appropriate and adequate incentive for Mr R Jarvis and Mr Loia to assist the Company to achieve prescribed performance milestones;
- (b) provide a cost effective and efficient form of remuneration when compared to the payment of cash consideration;
- (c) ensure the Company retains the services and experience of Mr Richard and Mr Loia; and
- (d) reinforce their commitment to the Company.

6.2 Explanation of Performance Conditions

The conversion milestones relevant to the Performance Shares issued to Mr Richard Jarvis and Mr Jason Loia are the same as those applicable to existing Performance Shares on issues in relation to the Company, which are summarised in the table below and in the text that immediately follows it.

	Class A Performance Shares	Class B Performance Shares	Class C Performance Shares
Applicable Conversion Milestones	20m users* (at least half of which are directly revenue generative) or \$3.5m annualised revenue (on a 3 month consecutive basis)	30m users* (at least half of which are directly revenue generative), or \$7.5m annualised revenue (on a 3 month consecutive basis)	50m users* (at least half of which are directly revenue generative), or \$12m annualised revenue (on a 3 month consecutive basis)

* For the purposes of determining satisfaction of the Conversion Milestones, 'user' means a user of software applications and websites which are connected to the Company's artificial intelligence system and for which an OpenDNA psychographic profile has been created.

6.3 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period. Listing Rule 7.4 sets out the procedure and effect of shareholder approval of a prior issue of securities and provides that where shareholders in a general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

The Company confirms the issue of the Performance Shares to Mr Richard Jarvis and Mr Jason Loia the subject of Resolutions 5 and 6 did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Performance Shares the subject of Resolutions 5 and 6 pursuant to Listing Rule 7.4, in order to restore its ability to issue securities under Listing Rule 7.1 to the extent of the number of Performance Shares the subject of the ratification.

Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to obtaining approval of Resolutions 5 and 6 for the purposes of Listing Rule 7.4:

- (a) 1,750,000 Performance Shares have been granted to Mr Richard Jarvis and 1,750,000 Performance Shares have been granted to Mr Jason Loia (or their respective nominees);
- (b) the Performance Shares were issued for nil cash consideration;
- (c) A summary of the terms of the Performance Shares is provided at Annexure B to this Explanatory Memorandum;

- (d) the Performance Shares have been issued as an incentive and reward to Mr Jarvis and Mr Loia for their future contributions to the Company; and
- (e) no funds were raised from the issue of the Performance Shares.

6.4 Corporate Governance

Mr Richard Jarvis is the Chief Financial Officer and Mr Jason Loia is the Chief Operating Officer of the Company. Recommendation 8.3 of ASX's Corporate Governance Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short term and long term performance objectives. In the Board's view, the issue of Performance Shares to Mr Jarvis and Mr Loia was an appropriate means of providing these long term performance objectives. The Board also considers that the retention of high quality and well credentialed executives, like Mr Jarvis and Mr Loia, is essential to the ongoing development and success of the Company and its projects.

6.5 Voting Exclusion Statement

A voting exclusion applies to Resolution 5 and 6 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

6.6 Board's Recommendation

The Board recommends Shareholders vote in favour of Resolutions 5 and 6.

7. Resolution 7 – Approval of Additional 10% Placement Facility

7.1 Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be so at the date of the Annual General Meeting.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section **Error! Reference source not found.** below).

The Company intends to use the consideration from any Shares issued under the 10% Placement Facility to raise funds for the purposes of accelerating the development of the Company's business and for general working capital.

The Board believes the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. Accordingly, the Directors of the Company believe Resolution 7 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of this Resolution.

7.2 Requirements of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being Shares (ASX Code: OPN) Options and Performance Shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

- A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
 - (iv) less the number of fully paid ordinary shares cancelled in the 12 months.

Note: 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 12 months before the date of the issue or agreement to issue that are not issued with the approval of 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.

At the date of this Notice, the Company has on issue 105,083,541 Shares. If Resolution 7 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 15,762,531 Equity Securities under Listing Rule 7.1; and
- (ii) 10,508,354 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities 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 to Section 7.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A 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; or
- (ii) if the Equity Securities are not issued within 5 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 earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the 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).

7.3 Effect of Resolution 7

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.4 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 issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of 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; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 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 below table (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk:
 - (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 AGM; 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary Shares 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:
 - (i) 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
 - (ii) two examples, where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.065 50% decrease in Issue Price	\$0.13 Current Market/ Issue Price	\$0.195 50% increase in Issue Price
Current Variable A	10% Voting Dilution	10,508,354 shares	10,508,354 shares	10,508,354 shares
	Funds raised	\$683,043	\$1,366,086	\$2,049,129
50% increase in current Variable A	10% Voting Dilution	15,762,531 shares	15,762,531 shares	15,762,531 shares
	Funds raised	\$1,024,564	\$2,049,129	\$3,073,694
100% increase in current Variable A	10% Voting Dilution	21,016,708 shares	21,016,708 shares	21,016,708 shares
	Funds raised	\$1,366,086	\$1,732,172	\$4,098,258

The table has been prepared on the basis of the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (ii) no options or Performance Shares (including any options or Performance Shares issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) 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%;
 - (iv) 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 Meeting;
 - (v) 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;
 - (vi) the issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
 - (vii) the issue price is \$0.13, being the closing price of the Shares on ASX on 18 October 2017.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration to raise funds for the purposes of accelerating the development of the Company's business and for general working capital; or
 - (ii) non-cash consideration for the purpose of accelerating the growth and development of the Company's business. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (g) 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 factors including, but not limited to, the following:
- (i) the methods of raising funds 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).
- (h) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board recommends Shareholders vote in favour of Resolution 7.

GLOSSARY

In this document:

AGM means the Annual General Meeting of the Company to be held on 30 November 2017, or any adjournment or postponement of the Annual General Meeting.

Annual Report means the Company's Annual Report for the year ended 30 June 2017 containing the Financial Report, the Directors' Report and the Auditors Report.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited (ACN 000 943 377) or the Australian Securities Exchange, as appropriate.

Auditor's Report means the Auditor's Report on the Financial Report.

Board means the Company's Board of Directors.

Chair means the chair of the AGM.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **OpenDNA** means OpenDNA Limited (ACN 613 410 398).

Constitution means the Company's Constitution, as amended from time to time.

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

Directors means the Directors 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 Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the Explanatory Memorandum which accompanies and forms part of the Notice of Meeting.

Financial Report means the annual Financial Report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Glossary means this glossary.

Key Management Personnel has the same meaning as in the Accounting Standards and broadly includes those 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.

Notice or **Notice of Meeting** means this notice of Annual General Meeting.

Option means an option to subscribe for and be allotted a Share in the Company.

Optionholder means a registered holder of an Option.

Performance Share means a right to be issued a Share, for no consideration upon the satisfaction of specified performance conditions.

Proxy Form means the proxy form attached to the Notice of Meeting.

Remuneration Report means the Remuneration Report which is contained in the Directors' Report.

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

Section means a section of the Explanatory Memorandum.

Security means a Share, Option or Performance Share.

Securityholder means a registered holder of a Security.

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

Shareholder means a registered holder of a Share.

Share Registrar means Computershare Investor Services Pty Ltd (ACN 000 937 879).

VWAP means volume weighted average price.

WST means Australian Western Standard Time.

ANNEXURE A – Terms of Options

The full terms of the Options are set out below:

1. Each Option shall be issued free for no consideration.
2. Subject to any ASX Listing Rule requirements, Options may be exercised at the Exercise Price.
3. The Options will lapse at 5.00pm (AWST) on the Expiry Date.
4. Subject to the specific vesting conditions, Options may be exercised during the Exercise Period.
5. If there is a pro rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of the Options may be reduced according to the formula set out in Listing Rule 6.22.
6. The Options can be exercised by the delivery to the registered office of the Company of an option exercise notice, accompanied by an option certificate, which nominates either “Traditional Exercise” or “Cashless Exercise” such that:
 - (a) **(Traditional Exercise):** if the optionholder nominates Traditional Exercise, the option exercise notice must be accompanied by payment of the exercise price by cheque made payable to the Company for the subscription monies for the Shares; or
 - (b) **(Cashless Exercise):** if the optionholder nominates Cashless Exercise, the optionholder agrees and acknowledges that the number of Shares to be acquired by them will be equal to the difference between:
 - (i) The number of Options exercised multiplied by the weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the option exercise notice; and
 - (ii) the number of Options exercised multiplied by the exercise price otherwise payable in relation to the Options,

divided by the weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date the Company receives the option exercise notice.
7. An exercise of only some Options will not affect the rights of the optionholder to the balance of the Options held by them.
8. The Options will not be listed for official quotation on the ASX.
9. The Options may not be transferred or assigned by an optionholder except that the optionholder may at any time transfer all or any of the Options to a spouse, family trust, or to a proprietary limited company, all of the issued Shares which are beneficially owned by the optionholder or the spouse of the optionholder.
10. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
11. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
12. Each Option entitles the holder to subscribe for or be transferred or allocated one Share on exercise
13. The Company must allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within ten business days of the exercise of the Options.
14. Shares allotted pursuant to an exercise of Options rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.

- 15.** The Company, if quoted on ASX, will apply for official quotation with the ASX for all Shares issued, transferred or allocated upon exercise of any Option.
- 16.** All unexercised Options will lapse upon the holder ceasing to be a Director or employee of the Company unless otherwise determined by the Board.
- 17.** In the event of a change in control all unvested options will become exercisable, with the vesting deemed to have taken place immediately prior to the effective date of the change of control event.

ANNEXURE B – Terms of Performance Shares

The terms and conditions of the Performance Shares are set out below:

1. Definitions

A Performance Share means a Performance Share issued by the Company that is subject to the A Performance Share Milestone and these terms.

A Performance Share Expiry Date means five (5) years from the date of issue of the A Performance Shares.

A Performance Share Milestone will be taken to have been satisfied upon the Company achieving 20 million users (at least half of which are directly revenue generative), or \$875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$3.5 million).

B Performance Share means a Performance Share issued by the Company that is subject to the B Performance Share Milestone and these terms.

B Performance Share Expiry Date means five (5) years from the date of issue of the B Performance Shares.

B Performance Share Milestone will be taken to have been satisfied upon the Company achieving 30 million users (at least half of which are directly revenue generative), or \$1,875,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$7.5 million).

C Performance Share means a Performance Share issued by the Company that is subject to the C Performance Share Milestone and these terms.

C Performance Share Expiry Date means five (5) years from the date of issue of the C Performance Shares.

C Performance Share Milestone will be taken to have been satisfied upon the Company achieving 50 million users (at least half of which are directly revenue generative), or \$3,000,000 in revenue over any period of three consecutive months (equating to annualised revenue of \$12 million).

Change of Control Event means:

- (a) the occurrence of:
 - (i) the offer or under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (ii) the Court, by order, approves the scheme of arrangement,

but, for the avoidance of doubt does not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.

Company means OpenDNA Limited (ACN 613 410 398) and, where the context requires, includes its subsidiaries.

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

Expiry Date means the A Performance Share Expiry Date or the B Performance Share Expiry Date or the C Performance Share Expiry Date (as the case may be).

Holder means the holder of a Performance Share.

Milestone means the A Performance Share Milestone or the B Performance Share Milestone or the C Performance Share Milestone (as the case may be).

Performance Share means an A Performance Share or a B Performance Share or a C Performance Share (as the case may be) in the capital of OpenDNA Limited (ACN 613 410 398).

Section 606(1) means section 606(1) of the Corporations Act.

2. Dividend

Performance Share Holders are not entitled to a dividend.

3. Conversion

(a) Conversion:

The Performance Shares will convert into Shares in accordance with this section.

(b) Conversion Milestones and Ratio:

Subject to paragraph 1.1.5, upon the satisfaction of the Milestone prior to the Expiry Date, each Performance Share will convert into one (1) Share.

(c) Conversion on Change of Control Event:

Subject to paragraph 1.1.5 upon the occurrence of a Change of Control Event:

- (i) that number of Performance Shares that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control Event) shall automatically convert into Shares;
- (ii) the Company shall ensure a pro-rata allocation of Shares issued under this paragraph to all Holders of Performance Shares; and
- (iii) any Performance Shares that are not converted into Shares in accordance with this paragraph will continue to be held by the Holder on the same terms and conditions.

4. Lapse after Expiry Date

If on the relevant Expiry Date:

- (a) the Milestone affecting the A Performance Shares has not been satisfied, then all of A Performance Shares held by each Holder shall consolidate into one A Performance Share and then convert into Shares on a one for one (1:1) basis;
- (b) the Milestone affecting the B Performance Shares has not been satisfied, then all of B Performance Shares held by each Holder shall consolidate into one B Performance Share and then convert into Shares on a one for one (1:1) basis; and
- (c) the Milestone affecting the C Performance Shares has not been satisfied, then all of C Performance Shares held by each Holder shall consolidate into one C Performance Share and then convert into Shares on a one for one (1:1) basis.

5. Takeover Provisions

- (a) If the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) would result in any person being in contravention of Section 606(1) then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1).

- (b) The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) will not result in any person being in contravention of Section 606(1).
- (c) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs 1.1.3(ii) or 1.1.3(iii) will not result in any person being in contravention of Section 606(1).

6. After Conversion

The Shares issued on conversion of any Performance Share will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

7. Issue of shares for no consideration

The Company shall allot and issue Shares upon conversion of the Performance Shares for no consideration to the holder of the Performance Shares or its nominees and shall record the allotment and issue in the manner required by the Corporations Act and the Listing Rules.

8. Reconstruction

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Shares, the Performance Shares and their terms of conversion shall be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the Holders by virtue of such reconstruction, consolidation or division, and otherwise in accordance with the Listing Rules at the time of reorganisation.

9. Winding up

If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Holders will have no right to participate in surplus assets or profits of the Company on winding up.

10. Non-transferable

The Performance Shares are not transferable.

11. Copies of notices and reports

The Holders have the same right as Shareholders to receive notices, reports and audited accounts.

12. Voting rights

The Holders shall have no right to vote on any resolutions proposed at a shareholders meeting of the Company, subject to the Corporations Act.

13. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Shares and Holders will not be entitled to participate in new issues of capital (including but not limited to bonus issues and entitlements issues) offered to Shareholders during the currency of the Performance Shares.

14. Quotation

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

15. No Other Rights

The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

