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**CELLMID LIMITED**

**ACN 111 304 119**

**NOTICE OF GENERAL MEETING**

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**TIME:** 4:00 pm (Sydney time)

**DATE:** Friday, 7 September 2018

**PLACE:** Offices of Automic Pty Limited, Level 29, 201 Elizabeth Street Sydney NSW  
2000

**THIS NOTICE OF GENERAL MEETING SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISERS.**

**SHOULD YOU WISH TO DISCUSS THE MATTERS IN THIS NOTICE OF GENERAL MEETING PLEASE DO NOT HESITATE TO CONTACT THE COMPANY ON (02) 9221 6830.**

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders of Cellmid Limited ACN 111 304 119 (**Company**) to which this Notice of Meeting relates will be held at Level 29, 201 Elizabeth Street Sydney NSW 2000 at 4:00pm (Sydney time) on 7 September 2018 (**Meeting**).

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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You have the right to appoint a proxy. The proxy need not be a shareholder of the Company. If you are entitled to two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed proxy form and return to the Company's share registry, by:

- (a) post to Automic Pty Limited at PO Box 2226, Strawberry Hills, New South Wales, 2012, Australia; or
- (b) delivery to Automic Pty Limited at Suite 309, 3rd Floor, 50 Holt Street, Surry Hills, New South Wales, 2010, Australia; or
- (c) facsimile to Automic Pty Limited on facsimile number +61 2 8583 3040,

or vote online at <https://investor.automic.com.au/#/loginsah>, so that in each instance it is received not later than 4:00pm (Sydney time) on 5 September 2018.

**Proxy forms received later than this time will be invalid.**

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**LETTER FROM THE CHAIR**

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Dear Shareholder,

I am pleased to invite you to the General Meeting of the Company which will be held at the offices of Automic Pty Limited, Level 29, 201 Elizabeth Street Sydney NSW 2000 on 7 September 2018, commencing at 4:00pm (Sydney time).

I have enclosed with this Notice of Meeting your personalised proxy form.

The following pages contain details of the items of business that you have the opportunity to vote on at the Meeting.

The Directors of the Company believe, subject to any required voting exclusions and abstentions, that all the Resolutions referred to in this Notice of Meeting are in the best interests of the Company and its shareholders and encourage you to vote in favour of all of the Resolutions.

I look forward to seeing you at the Meeting on 7 September 2018. If you are unable to attend, please ensure that you fill out and return your personalised proxy form to the Company's share registry by the required date and time.

Yours sincerely,



**David King**  
**Chairman**

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## **NOTICE OF GENERAL MEETING**

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Notice is given that the General Meeting of Shareholders of the Company will be held at Level 29, 201 Elizabeth Street Sydney NSW 2000 at 4:00pm (Sydney time) on 7 September 2018.

The Explanatory Statement to this Notice of Meeting provides information on matters to be considered at the Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7pm (Sydney time) on 5 September 2018.

## **AGENDA**

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### **RESOLUTION 1 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES**

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

“That for the purpose of ASX Listing Rule 7.1 and all other purposes, approval is given to the issue and allotment of 16,185,517 fully paid ordinary shares to approximately 46 sophisticated and institutional investors, as detailed in the Explanatory Statement.”

### **RESOLUTION 2 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES TO RELATED PARTIES**

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

2A – “That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 2,631,579 fully paid ordinary shares to Dennis Eck, as detailed in the Explanatory Statement.”

2B – “That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 263,157 fully paid ordinary shares to Direct Capital Group Proprietary Limited, an entity associated with Maria Halasz, as detailed in the Explanatory Statement.”

2C – “That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 80,000 fully paid ordinary shares to Anna Cross ATF <The Cross Super Fund>, an associate of Martin Cross, as detailed in the Explanatory Statement.”

### **RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUES**

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval and ratification is given to the issue and allotment of 8,013,432 fully paid ordinary shares, as detailed in the Explanatory Statement.”

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**RESOLUTION 4 – ELECTION OF DIRECTOR – DENNIS ECK**

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

“That Dennis Eck, who retires in accordance with clause 47.1 of the Company's constitution, and being eligible offers himself for re-election, be re-elected as a Director.”

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## VOTING EXCLUSION STATEMENTS

For the purposes of ASX Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast on the following Resolutions by or on behalf of the following persons:

Resolution	Excluded Party(s)
Resolution 1	Any person who is expected to participate in, or who will obtain a material personal benefit as a result of, the placement to which Resolution 1 relates, and any associates of those persons
Resolution 2A	Dennis Eck and any of his associates
Resolution 2B	Maria Halasz and any of her associates
Resolution 2C	Martin Cross and any of his associates
Resolution 3	Any person who participated in the share issues to which Resolution 3 relates, and any associates of those persons
Resolution 4	None

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

- a person as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- 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.

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### GENERALLY

It is the intention of the Chair to vote eligible undirected proxies in favour of Resolutions 1 to 4.

Those shareholders appointing a proxy who do not want the Chair to vote for them or do not want the Chair to vote in accordance with the Chair's intentions, have the ability to:

- (a) appoint the Chair as proxy with a direction to cast votes contrary to the Chair's stated voting intentions by instructing the Chair to vote 'against' or to 'abstain' from voting on any or all of these Resolutions (as the shareholder considers appropriate); or
- (b) appoint a person other than the Chair as proxy or attorney with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on any or all of these Resolutions (as the shareholder considers appropriate).

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DATED: 6 August 2018

BY ORDER OF THE BOARD



David King  
CHAIRMAN

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 29, 201 Elizabeth Street Sydney NSW 2000 on 7 September 2018 at 4:00pm (Sydney time).

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to shareholders in deciding whether or not to pass the Resolutions in this Notice of Meeting.

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### RESOLUTION 1 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES

#### Background

On 31 July 2018, the Company announced a placement of **23,684,211** fully paid ordinary shares (**Shares**) to raise \$9 Million (before costs) from approximately 46 sophisticated and professional investors (**Placement**), together with a share purchase plan targeted to raise up to \$1,000,000 under which Shareholders may apply for up to \$15,000 of shares at the same price as the Placement. Under the Placement **4,523,959** Shares were issued under the Company's existing Listing Rule 7.1 capacity, with the remaining Placement Shares to be issued subject to Shareholder approval under this Resolution 1, and Resolution 2 (for issues to related parties of the Company). Accordingly, this Resolution 1 seeks the approval of Shareholders for the issue of **16,185,517** Placement Shares, to be issued to sophisticated and professional investors that are not related parties of the Company.

#### Application of ASX Listing Rules

Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12-month period without the approval of shareholders. As the issue of the Shares the subject of this Resolution 1 will exceed the Company's 15% capacity, the Company requires the approval of Shareholders to issue those shares.

#### Listing Rules Information

ASX Listing Rule 7.3 requires the following information to be provided to Shareholders:

- the maximum number of securities to be issued under the Placement for which shareholder approval is required (other than issues to related parties) is **16,185,517**;
- the shares the subject of this Resolution 1 will be issued on 11 September 2018;
- the issue price of these Placement Shares is \$0.38 per share;
- these Placement Shares will be issued to insert sophisticated and professional investors identified by the Company and its advisors for participation in the Placement;
- these Placement Shares rank equally in all respects with other existing fully paid ordinary Shares in the capital of the Company;
- the proceeds of the Placement will be used by the Company for working capital to exploit the global distribution opportunities for the Company's flagship évolis® products in key target markets including the USA, China, Australia and Japan. A



significant portion of the capital raised will be used to increase inventory and boost the Company's sales and marketing capabilities in these markets; and

- Resolution 1 is subject to a voting exclusion statement (see the Notice of Meeting).

### **Directors' Recommendation**

The Board recommends Shareholders vote in favour of Resolution 1.

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## **RESOLUTIONS 2A, 2B AND 2C – APPROVAL OF THE ISSUE OF PLACEMENT SHARES TO RELATED PARTIES**

### **Background**

As noted above in respect of Resolution 1, the Company announced the Placement on 31 July 2018. Certain related parties of the Company will participate in the Placement, subject to the approval of Shareholders under Resolutions 2A, 2B and 2C.

### **Application of ASX Listing Rules**

ASX Listing Rule 10.11 requires shareholder approval be sought for an issue of securities to a Director or their associate. Accordingly, approval is sought for the issue of:

- 2,631,578 Placement Shares to Dennis Eck, a Director of the Company;
- 263,157 Placement Shares to Direct Capital Group Proprietary Limited, an entity associated with Maria Halasz, a Director of the Company; and
- 80,000 Placement Shares to Anna Cross ATF <The Cross Super Fund>, an associate of Martin Cross, a Director of the Company.

### **Listing Rules Information**

ASX Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the maximum number of securities to be issued under Resolutions 2A, 2B and 2C is 2,974,735 fully paid ordinary Shares;
- Dennis Eck will be issued 2,631,578 Placement Shares under Resolution 2A, Direct Capital Group Proprietary Limited will be issued 263,157 Placement Shares under Resolution 2B, and Anna Cross ATF <the Cross Super Fund> will be issued 80,000 Placement Shares under Resolution 2C;
- the Placement Shares are proposed to be issued on 11 September 2018, but in any event, within 1 month of this Resolution being passed;
- the issue price of these Placement Shares is \$0.38 per Placement Share;
- these Placement Shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the proceeds of the Placement Shares issued will be used by the Company for working capital to exploit the global distribution opportunities for the Company's flagship évolis® products in key target markets including the USA, China, Australia and Japan. A significant portion of the capital raised will be used to increase

inventory and boost the Company's sales and marketing capabilities in these markets; and

- Resolutions 2A, 2B and 2C are subject to voting exclusion statements (see the Notice of Meeting).

If approval is given under ASX Listing Rule 10.11, under ASX Listing Rule 7.2 Exception 14 no further approval is required under ASX Listing Rule 7.1. This means that if Resolutions 2A, 2B and 2C are passed, the Company can issue the Shares without using any of its 15% placement capacity.

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### **Directors' Recommendation**

The Board (with Dennis Eck abstaining in respect of Resolution 2A, Maria Halasz abstaining in respect of Resolution 2B and Martin Cross abstaining in respect of Resolution 2C) recommends Shareholders vote in favour of Resolution 2A, 2B and 2C.

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### **RESOLUTION 3 – RATIFICATION OF PRIOR SHARE ISSUES**

#### **Background**

As noted above in respect of Resolution 1, the Company announced the Placement on 31 July 2018. 4,523,959 Placement Shares were issued by the Company under its existing Listing Rule 7.1 capacity. The Company also issued 3,489,473 Shares on 19 December 2017 under its Listing Rule 7.1 capacity during the 12 months prior to the date of the Meeting. The Company now wishes to refresh its Listing Rule 7.1 capacity and approve and ratify the issue of 8,013,432 Shares.

#### **Application of ASX Listing Rules**

Under Listing Rule 7.4, Shareholders may approve the issue of securities made within the limitation of Listing Rule 7.1. By obtaining the approval of Shareholders under Listing Rule 7.4 under this Resolution 3, the Company will retain the flexibility to issue up to 15% of its issued capital, if required, in the next 12 months without the need to obtain prior shareholder approval.

#### **Listing Rules Information**

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders:

- the total number of securities issued was 8,013,432 fully paid ordinary Shares in the capital of the Company;
- the issue price of these shares was:
  - \$0.38 per Share for the 3,489,473 Shares issued on 19 December 2017; and
  - \$0.38 per Share for the 4,523,959 Placement Shares issued under the Placement on 6 August 2017;
- all such Shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the allottees were:
  - UBS Nominees Pty Ltd and Dennis Eck (prior to his appointment as a Director) in respect of the 3,489,473 Shares issued on 19 December 2017; and

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- approximately 46 sophisticated and professional investors (including institutional investors) identified by the Company and its advisors in respect of the 4,523,959 Placement Shares issued under the Placement on 6 August 2017;
  - the proceeds of:
    - 3,489,473 Shares issued on 19 December 2017 were used for general working capital and the Company's US expansion and growth in Australia; and
    - 4,523,959 Placement Shares will be used by the Company for working capital to exploit the global distribution opportunities for the Company's flagship evolis® products; and
  - Resolution 3 is subject to a voting exclusion statement (see the Notice of Meeting).

### **Directors' Recommendation**

The Board (with Dennis Eck abstaining) recommends Shareholders vote in favour of Resolution 3.

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### **RESOLUTION 4 – ELECTION OF DIRECTOR – DENNIS ECK**

On 26 March 2018, the Directors appointed Mr Dennis Eck to the Board of the Company. Under Clause 47.1 of the Company's constitution, any Director that has been appointed by the Directors since the last annual general meeting retire from office at the Company's Annual General Meeting. Rather than wait until the Annual General meeting of the Company for re-election, Dennis Eck has offered to retire at the Meeting, and being eligible to do so, stand for re-election at the Meeting.

Mr Dennis Eck brings 40 years' senior management experience in the retail sector to Cellmid's board, providing significant strategic and operational expertise. Mr Eck, a professional investor, has extensive retail experience, from fashion to groceries, including cosmetics and hair salons. As a senior strategist, Mr Eck has helped reshape the operations of several retail businesses delivering outstanding shareholder returns. Mr. Eck served as the Chief Executive Officer of Coles Myer Ltd. from November 1997 to September 2001 following his service in a number of positions including as Chief Operating Officer of Coles Myer Ltd and Managing Director of Coles Myer Supermarkets. Mr Eck's outstanding successes at Coles were recognised by the Association of Chartered Accountants when, in 2001, he was named the Astute Business Leader of the Year in Australia. Recently, Mr Eck served as an Interim Chief Executive Officer at Ulta Beauty, and currently holds a position as Board Member at that Company.

### **Recommendation**

The Board (with Dennis Eck abstaining) supports the election of Dennis Eck and recommends that Shareholders vote in favour of Resolution 4.