

**NUHEARA LIMITED**

**ACN 125 167 133**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

**TIME:** 1.00pm (WST)

**DATE:** Thursday, 28 November 2019

**PLACE:** Nuheara Limited, 190 Aberdeen Street, Northbridge, Western Australia

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on Tuesday, 26 November 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

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

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR DAVID BUCKINGHAM

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

*"That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Buckingham, a Director appointed on 1 November 2019, retires, and being eligible, is elected as a Director."*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS KATHRYN FOSTER

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Kathryn Foster, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – 66,936,667 SHARES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 66,936,667 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – 80,000,000 SHARES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 80,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person or any associate of that person (or those persons) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Ordinary Securities in the entity). 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 it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated: 25 October 2019**

**By order of the Board**



**Susan Hunter  
Company Secretary**

**Voting in person**

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

**Voting by proxy**

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6555 9999.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.nuheara.com](http://www.nuheara.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%.

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### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR DAVID BUCKINGHAM

#### 3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr David Buckingham, having been appointed as a Non-executive Director by the Directors effective 1 November 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### 3.2 Qualifications and other material directorships

**David Buckingham** *Engineering Science BTech (Hons), ACA ICAEW, GAICD*  
Non-executive Director

Mr Buckingham is an experienced corporate professional with over twenty-five years of experience across the rapidly growing and changing sectors of communications, media, technology and education.

Mr Buckingham has a diverse educational background and an impressive career which began in the United Kingdom with PricewaterhouseCoopers and included a secondment in 1994 to Australia. He later moved into the telecommunications industry where he devoted much of his early career, working in several prominent finance roles for global companies.

In 1997, Mr Buckingham commenced his first role in commerce at Telewest Communications Inc., a major UK cable company that went on to become a substantial portion of the Virginmedia group. He spent the following decade with them in several roles including the Group Treasurer and Director of Financial Planning and culminating as the Finance Director, Business Division.

It was at the end of this ten-year tenure that Mr Buckingham decided to leave Virginmedia at the end of 2007 and migrate to Australia with his family. He started his career in Australia having been offered an opportunity to join iiNet as the internet service provider's Chief Financial Officer and Company Secretary in January 2008.

After a seven-year period with iinet as CFO, Mr Buckingham was appointed Chief Executive Officer prior to the company being bought by TPG in October 2015. It was at this time that Mr Buckingham left the company, and the telecommunications industry, to join Navitas Limited.

Mr Buckingham joined Navitas Limited in January 2016 as the organisation's Chief Financial Officer, responsible for the financial operations of the company globally. On 1 March 2018, Mr Buckingham stepped into the role of Group Chief Executive Officer, succeeding Navitas Limited's co-founder. Mr Buckingham left Navitas Limited in October 2019 after the successful privatisation sale of Navitas Limited to a private equity consortium in Australia.

### 3.3 Independence

Mr David Buckingham has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers David Buckingham will be an independent director.

### 3.4 Board recommendation

The Board supports the election of David Buckingham and recommends that Shareholders vote in favour of Resolution 2.

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## 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS KATHRYN FOSTER

### 4.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Ms Kathryn Foster, who has served as a director since 30 November 2018, retires by rotation and seeks re-election.

### 4.2 Qualifications and other material directorships

**Kathryn Foster** BSc, ASc, MAICD  
Non-executive Director

Ms Foster has over 20 years' experience creating and running large internet-based businesses, starting in the late 1990s on Windows Update. Prior to becoming a professional director, Ms Foster was Senior Director of Microsoft Store online where she managed the sales and merchandising team for Microsoft Store online across 232 geographies. As the Senior Director, she was responsible for an annual revenue budget in the low billions of dollars. Prior to that, for the inception of the Xbox Games Marketplace, Ms Foster set business vision, strategy and drove the technical execution around digital and physical supply chain technology and operations to enable Xbox's billion-dollar business globally.

Ms Foster has been an Independent Non-Executive Director of Class Limited since July 1, 2015. She joined the QSuper Audit and Risk committee in March 2017, and the advisory board of Mine Hive Pty Ltd in May 2019. Ms Foster is also the managing director of Foster Consulting, a boutique consulting firm focusing on strategic initiatives and direction.

### 4.3 Independence

Ms Kathryn Foster has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers Ms Kathryn Foster will be an independent director.

#### 4.4 Board recommendation

The Board supports the election of Ms Kathryn Foster and recommends that Shareholders vote in favour of Resolution 3.

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – 66,936,667 SHARES

### 5.1 General

On 10 December 2018, the Company issued 66,936,667 Shares at an issue price of \$0.075 per Share to raise approximately \$5,020,250 (before costs).

66,936,667 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 30 November 2018.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

### 5.2 Technical information required by the ASX Listing Rules

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
  - (b) are counted in variable "E",
- until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 4, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 6 being passed by the requisite majority.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

**Number of Shares Issued:** 66,936,667 Shares were issued.

**Date of Issue:** 10 December 2018.

**Issue Price:** The issue price was \$0.075 per Share. The issue price was greater than 75% of \$0.081 being the 15 day VWAP on 4 December 2018, the date the Shares



were agreed to be issued. 75% of the 15 day VWAP on 4 December 2018 of \$0.081 was \$0.061.

**Terms:** The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

**Allotees:** The Shares were issued to clients of APP Securities Pty Limited and Patersons Securities Limited who acted as Joint Lead Managers for the placement. None of these subscribers are related parties of the Company.

**Use of Funds:** The funds raised from this issue were used to fund an increase in inventory levels of IQbuds BOOST™, to fund an increase in sales and marketing activities and for the development and manufacture of new products including IQstream TV™ and IQbuds MAX.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – 80,000,000 SHARES**

### **6.1 General**

On 15 July 2019, the Company issued 80,000,000 Shares at an issue price of \$0.05 per Share to raise \$4,000,000 (before costs) under the Company's available placement capacity pursuant to Listing Rule 7.1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the 80,000,000 Shares pursuant to Listing Rule 7.1.

### **6.2 Technical information required by the ASX Listing Rules**

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, including securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides however that an issue under Listing Rule 7.1 is treated as having been made with Shareholder approval if each of the following applies:

- the issue did not breach Listing Rule 7.1; and
- Shareholders subsequently approve it.

This placement of Shares was within the Company's 15% limit and subsequent approval under Listing Rule 7.4 is now being sought.

In accordance with Listing Rule 7.5 the following information is provided in relation to Resolution 5:

**Number of Shares Issued:** 80,000,000 Shares.

**Date of Issue:** 15 July 2019.

**Issue Price:** The Shares were issued at \$0.05 per Share.

**Terms:** The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

**Allottees:** The Shares were issued to institutional and sophisticated investors who were clients of Rawson Lewis Pty Ltd who acted as lead manager of the placement and to certain existing Shareholders of the Company. The allottees were not Related Parties of the Company.

**Use of Funds:** Proceeds from the placement will be used to fund an increase in sales and marketing activity to support new and existing products and accessories.

**Voting Exclusion:** An appropriate voting exclusion statement is included in the Notice of General Meeting.

The Directors recommend that the Shareholders vote in favour of this Resolution.

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## **7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **7.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$47 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 21 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: NUH).

If Shareholders approve Resolution 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

## 7.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

### (a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date in section (i) above, the date on which the Equity Securities are issued.

### (b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### (c) Risk of voting dilution

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

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 21 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.022 50% decrease in Issue Price	\$0.044 Issue Price	\$0.066 50% increase in Issue Price
1,062,210,292 (Current Variable A)	Shares issued - 10% voting dilution	106,221,029 Shares	106,221,029 Shares	106,221,029 Shares
	Funds raised	\$2,336,863	\$4,673,725	\$7,010,588
1,593,315,438 (50% increase in Variable A)	Shares issued - 10% voting dilution	159,331,543 Shares	159,331,543 Shares	159,331,543 Shares
	Funds raised	\$3,505,294	\$7,010,588	\$10,515,882
2,124,420,584 (100% increase in Variable A)	Shares issued - 10% voting dilution	212,442,058 Shares	212,442,058 Shares	212,442,058 Shares
	Funds raised	\$4,673,725	\$9,347,450	\$14,021,176

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

The table above uses the following assumptions:

1. There are currently 1,062,210,292 Shares on issue. The current variable A above assumes Resolutions 4 and 5 are passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 21 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for working capital, growth of inventories and increased marketing and promotional costs associated with the Company's products; or
- (ii) as non-cash consideration for the acquisition of any new business arms or ideas that are complimentary to the Company's existing business in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2018.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued a total of 180,736,569 Equity Securities. This represents approximately 18% of the total number of Equity Securities on issue at the commencement of that 12-month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

**7.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

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## GLOSSARY

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\$ means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 7.1.

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

**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) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Nuheara Limited (ACN 125 167 133).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.



## SCHEDULE A

## ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
10 December 2018	1,500,000 unquoted options.	Unquoted options exercisable at \$0.090 each, expiring on 10 December 2021.	Issued to employees of the Company with certain vesting conditions attached pursuant to the Company's Incentive Option Scheme approved by Shareholders at the AGM held on 28 November 2016.	N/A – issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Nil.	N/A	N/A	Options issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Value of \$0.039 per option based on a Black and Scholes valuation.
10 December 2018	2,250,000 fully paid ordinary shares.	Fully paid ordinary shares (Shares).	Issued to holders of 2,250,000 4c 18/4/19 options on exercise of the options.	Issue price - \$0.04. Market price - \$0.069. Discount to market price – 42%.	\$90,000	\$90,000 - used for general working capital (eg. salaries and wages, rent, utilities etc).	N/A	N/A	N/A
10 December 2018	66,936,667 fully paid ordinary shares.	Fully paid ordinary shares (Shares).	Issued to various professional and sophisticated investors who were clients of APP Securities Pty Limited and Patersons	Issue price - \$0.075. Market price - \$0.069. Premium to market price – 8.7%.	\$4,769,237	\$4,769,237 - used to fund an increase in inventory levels of IQbuds BOOST™, to fund an increase in sales and marketing	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Alloftes or Basis on which Alloftes Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
			Securities Limited who acted as Joint Lead Managers for the placement.			activities and for the development and manufacture of new products including IQstream TV and IQbuds MAX.			
25 February 2019	20,000,000 Shares	20,000,000 Shares were issued on exercise of 20,000,000 unlisted options at \$0.03 each expiring on 25 February 2019.	Issued to holders of 20,000,000 unlisted options at \$0.03 each expiring on 25 February 2019.	Issue price - \$0.03. Market price - \$0.072. Discount to market price - 58%.	\$600,000	\$600,000 - used for increased sales and marketing and for general working capital (eg. salaries and wages, rent, utilities etc).	N/A	N/A	N/A
18 March 2019	6,000,000 options.	Unquoted options exercisable at \$0.09 each, expiring on 22 March 2022 issued to employees of the Company with certain vesting conditions pursuant to the Company's Incentive Option Scheme approved by Shareholders at the AGM held on 28	Issued to various employees of the Company.	N/A – issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Nil.	N/A	N/A	Options issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Value of \$0.036 per option based on a Black and Scholes valuation.

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Alloftees or Basis on which Alloftees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
		November 2016.							
17 April 2019	2,500,000 options.	Unquoted options exercisable at \$0.09 each, expiring on 17 April 2022 issued to employees of the Company with certain vesting conditions pursuant to the Company's Incentive Option Scheme approved by Shareholders at the AGM held on 28 November 2016.	Issued to various employees of the Company.	N/A – issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Nil.	N/A	N/A	Options issued pursuant to the terms and conditions of the Company's Incentive Option Scheme.	Value of \$0.079 per option based on a Black and Scholes valuation.
17 April 2019	1,549,902 Shares	1,549,902 Shares were issued on exercise of 1,227,184 unlisted options at \$0.06 each expiring on 18 April 2019 and 322,718 Shares were issued on exercise of 322,718 unlisted options at \$0.04 each expiring	Issued to holders of 1,227,184 unlisted options exercisable at \$0.06 each expiring on 18 April 2019 and holders of 322,718 options exercisable at \$0.04 each expiring on 18 April 2019.	Issue price - \$0.06. Market price - \$0.076. Discount to market price – 21%.  Issue price - \$0.04. Market price - \$0.076. Discount to market price – 47%.	\$86,539.76	\$86,539.76- used for increased sales and marketing and for general working capital (eg. salaries and wages, rent, utilities etc).	N/A	N/A	N/A

Date of Issue	Number of Equity Securities Issued	Class of Equity Securities Issued and Summary of Terms of that Class	Names of Allottees or Basis on which Allottees Determined	Price at which Equity Securities Issued and Discount to Market Price	Total Cash Consideration	Amount of Cash Spent and Use of Cash	Intended Use of Remaining Cash	Non-cash consideration	Current Value of Non-cash consideration
		on 18 April 2019.							
15 July 2019	80,000,000 Shares.	Fully paid ordinary shares (Shares).	Issued to institutional and sophisticated investors who were clients of Rawson Lewis Pty Ltd who acted as lead manager of the placement and to certain existing Shareholders of the Company.	Issue price - \$0.05.  Market price - \$0.049.  Premium to market price – 2%.	\$3,731,590	\$2,707,903 - used to fund an increase in sales and marketing activity to support new and existing products and accessories.	Remaining funds will be used to fund an increase in sales and marketing activity to support new and existing products and accessories.	N/A	N/A

NUH

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

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (WST)** Tuesday, 26 November 2019.

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

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

☐

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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1

### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nuheara Limited hereby appoint

☐

the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Nuheara Limited to be held at 190 Aberdeen Street, Northbridge, Western Australia on Thursday, 28 November 2019 at 1:00pm (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

### Step 2

### Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director - Mr David Buckingham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Ms Kathryn Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue – 66,936,667 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue – 80,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### Step 3

### Signature of Securityholder(s)

*This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

